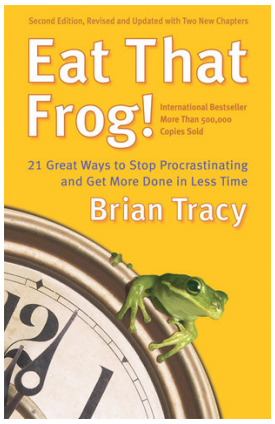


EAT THAT FROG

21 Great Ways to Stop Procrastinating and Get more Done in Less Time

BY BRIAN TRACY

The Big "So What"

Almost everyone today has too much to do and too little time. Built on 30 years of time-management study, this book presents 21 tips to help you stop procrastinating and get more work done. It's a practical action guide for anyone who feels overwhelmed, or wants to be more effective in planning, prioritising and achieving more results in less time.

Introduction

The key to success is not to try to do everything, but to focus fully on the most vital tasks, take action, and complete them well.

- The analogy of **eating frogs** comes from Mark Twain, who says that if you can start your morning by eating a live frog, you'd have tackled the worst thing that can happen that day.
  - Your *frog* is your most crucial task—what you're most likely to defer, yet can create the biggest impact on your outcomes.
  - There are *2 rules* to frog-eating. Eat the ugliest frog first, and don't look at it for too long before eating it.
- Rather than dwell on theory or concepts, Tracy zooms in on actionable tips that you can **apply instantly**.
  - It's vital that you *take action immediately*, as that's the only way to get results.
  - Each time you complete a vital task, it releases endorphins which make you feel great. By developing a "*positive addiction*"

KEY QUOTES

"Every idea in this book is focused on increasing your overall levels of productivity, performance, and outcome and on making you more valuable in whatever you do."

"The ability to concentrate single-mindedly on your most important task, to do it well and to finish it completely, is the key to great success, achievement, respect, status and happiness in life."

to this feeling of starting and completing important tasks, you're forming a crucial success habit.

- To form any new habit (including the habit of eating frogs), you need the **3Ds of New Habit Formation**: Make a *decision* to build the habit of completing tasks, have the *discipline* to keep applying the ideas in this book, and have the *determination* to persevere until the habits become an integral part of who you are.

- To fast-track your progress, create a **clear mental picture** of yourself as someone who habitually completes important things, fast and strong.

1. Set The Table

To identify your frog, you first need *clarity* on what you truly want. Clarity helps you to overcome procrastination and take concrete action, and it's probably the most critical productivity ingredient. One secret is to **think on paper**. People with clear, written goals can accomplish 5-10 times as much as others. Use these **7 steps** to set and achieve goals:

- Decide specifically *what you want*.
- *Write it down*. Think on paper and make it tangible.
- Set a *deadline* for the goal, with sub-deadlines as needed.
- *List* down everything you may need to do to achieve your goal.
- Break things down into individual tasks, and arrange them in priority and sequence to *form a plan*.
- *Take action immediately*. No amount of thinking can outdo action.
- *Do something everyday*, however big or small, to move yourself toward your major goal. Don't miss even 1 day.

KEY QUOTES

"When you train yourself…to overcome procrastination and get your most important tasks completed quickly, you will move yourself onto the fast track in your life and career and step on the accelerator."

"The number one reason why some people get more work done faster is because they are absolutely clear about their goals and objectives, and they don't deviate from them."

"An average plan vigorously executed is far better than a brilliant plan on which nothing is done."

"Once you start moving, keep moving. Don't stop."

EAT THAT FROG!

Start by listing 10 goals for the next year, writing them in present tense as if the year has passed and they're a reality, e.g. "I weigh X pounds". Select 1 goal that will create the biggest positive impact, write it down separately and apply the steps above to take action daily.

2. Plan Every Day In Advance

The 10/90 Rule says that the first 10% of time used to plan your work can save you 90% of the execution time once you start. One minute of planning can save you 10 mins of execution time, and help you improve your "return on energy". By setting aside 10-12 mins for planning, you can save 2 hours on execution the next day.

Every night, **list down** all the items you must complete the next day. Allow your subconscious mind to work on the list while you sleep, so you can wake up with new ideas on how to achieve them.

Use **different lists**, including a *master list* (of all the possible tasks you must do at some point), a *monthly list* (for the month ahead), a *weekly list* (for the week ahead), and a *daily list* (for the next day).

Tick off the items as you complete them, to motivate and energize yourself on your progress.

EAT THAT FROG!

From today, plan out each day, week and month in advance. Work from prioritised lists, starting with what you must do in the next 24 hours.

3. Apply The 80/20 Rule To Everything

Many people focus on their number of tasks and amount of activity, rather than the importance of the tasks or the achievements.

KEY QUOTES

"The very act of thinking and planning unlocks your mental powers, triggers your creativity, and increases your mental and physical energies."

"Start with the end in mind and work backward."

"Stead, visible progress propels you forward and helps you to overcome procrastination."

The Pareto's Principle, or 80/20 Rule, says that 20% of your activities will account for 80% of your results.

Find the **1 top task** that's worth the other tasks combined—this is the frog you must eat first. Often, this is also the most difficult and complex task you'll tend to procrastinate on.

The crux of time management is to control your **sequence of events**, or what you do next. Resist the temptation to clear the small tasks first; instead, start your day by asking, "Is this task in the top 20% or bottom 80% of my activities?", and focus only on the most vital tasks first. Completing an important job need not take more time than an unimportant one, but it'll yield greater satisfaction.

EAT THAT FROG!

List down all your key goals, responsibilities, projects and activities. Identify the top 10-20% and always work on them first.

4. Consider the Consequences

Successful people are able to look 10 or 20 years into the future, and make decisions today that are consistent with their desired long-term future, including making short-term sacrifices. When considering whether to do or not do something, ask yourself if it has any consequences for your long-term vision.

You can never have enough time to do everything. Rather than set deadlines for everything and feel stressed for missing most of them, focus on the most important task, and give it 20% extra time, so you can do it really well. Use these **3 questions** to find your focus:

- Which are my activities with the highest-value?
- What can I and only I do that if done well will make a real difference? [This question originated from Peter Drucker.]
- What's the most valuable use of my time right now?

KEY QUOTES

"The hardest part of any important task is getting started on it in the first place."

"Time management is really life management, personally management."

"The mark of the superior thinker is his or her ability to accurately predict the consequences of doing or not doing something."

"Long-term thinking improves short-term decision making."

EAT THAT FROG!

Keep asking: What's the one thing which, if I did really well, could create the biggest positive impact in my work and life? Apply this question to find the best thing to do every hour, starting right now.

5. Apply Creative Procrastination

Since you can't do everything, choose to procrastinate on low-value activities by giving them less or no time, so you free up time and priority for what's truly valuable, e.g. giving up TV time for family time or exercise.

EAT THAT FROG!

Ask yourself, "If I weren't already doing this, would I have started doing it today?" Select 1 activity from each area of your life to eliminate or put aside until your more important goals are achieved.

6. Use the ABCDE Method

Use this technique for setting your daily priorities. Start by listing everything you must do the next day. Rate each item A, B, C, D, or E.

A "**A items**" are those with the most serious consequences if left undone, and only you can do them. If you have more than one A-task, prioritize them further with A1, A2, etc. A1 is the ugliest frog to eat first.

B "**B items**" are things you should do, but with only minor consequences. Always finish A items before starting on B items.

C "**C items**" are nice to do, but have no consequences if left undone.

KEY QUOTES

"Creative procrastination is the act of thoughtfully and deliberately deciding upon the exact things you are not going to do right now, if ever."

"Everyone procrastinates. The difference between high performers and low performers is largely determined by what they choose to procrastinate on."

"**D items**" are what you can delegate, to free up time for A items.

"**E items**" are what you can eliminate totally with no consequence.

The key is to stay disciplined—start immediately on A1 and don't get distracted until it's completely finished.

EAT THAT FROG!

Go through your work list now and apply the ABCDE method. Start working on A1 immediately until it's done. Do this daily for 1 whole month, until it becomes a habit.

7. Focus On Key Result Areas

Most jobs can be broken down into 5-7 key result areas. A key result area is (a) what you're fully responsible for, (b) won't be done if you don't do it, (c) is under your control, and (d) produces an output that impacts others' work. For example, key result areas in management are: planning, organizing, staffing, delegating, supervising, measuring and reporting. Those for sales are: prospecting, building trust, identifying needs, persuading effectively, answering objections, closing the sale, and getting resales/referrals.

Identify your **key result areas** with your boss and team, so there's a clear list of vital outputs and responsibilities to focus on.

Then, **rate yourself** for each area on a scale of 1-10. You're only as strong as your weakest link, and tend to procrastinate in your areas of weakness.

Identify **areas for improvement** by asking: What's 1 skill which, if I become excellent at, will create the biggest positive impact on my career (or life)?

EAT THAT FROG!

Define your key result areas, grade them, and identify the 1 skill that'd help you most in your work. Discuss this list with your boss, staff and coworkers.

KEY QUOTES

"The starting point of high performance is for you to identify the key result areas of your work."

"Your weakest key result area sets the height at which you can use all your other skills and abilities."

8. Apply The Law Of Three

Use the "**quick list method**" to identify the 3 core tasks that make up 90% of the value you contribute to your business or organization.

In just 30 seconds, write down the **3 most important goals** of your life—the answers that come to you immediately are often the most accurate ones.

Typically, the **3 most important areas** to people are: career, family/relationships and health/fitness. Define one goal in each of these areas, grade yourself and identify where you need improvement.

Remember that the aim of time management is to free up more time for what truly matters to you. Thus, when you're at work, be truly at work, giving it 100% of your focus and effort. Each minute wasted in idle chit-chat at the office is a minute lost for you and your family. The key to achieving **work-life balance** is to deliberately complete your work efficiently and effectively, so you can spend quality time at home and with your loved ones.

EAT THAT FROG!

Ask yourself: "If I could do only 1 thing all day, what's the 1 task that will bring the most value to my career?" Identify your 3 most important work tasks, and the 3 most important goals in each area of your life. Prioritize them and work on them every single day.

9. Prepare Thoroughly Before You Begin

When you're fully prepared, you overcome procrastination and achieve much better results.

Set up your work area comfortably, and **clear your workspace** so you only have your most important task in front of you;

Prepare all the **information, tools and materials** you may need, and lay them out neatly and in sequence in front of you; and

KEY QUOTES

"You must never lose sight of the fact that the reason for working efficiently is so that you can enjoy a higher quality of life at home with your family."

"When you are fully prepared, you are like a cocked gun or an archer with an arrow pulled back taut in the bow."

Manage your **body language**—sit up straight and feel like a high-performing individual. Tell yourself, "let's get to work!", and don't stop until you've completed the task.

EAT THAT FROG!

Clean up your workspace so you feel positive, productive and effective each time you settle down to work.

10. Take It One Step at a Time

To facilitate crossing of the Sahara Desert, the French marked the track (which was perpetually covered by sand) with oil drums every 5km. Just by following the next visible oil barrel at any one time, you can cross all 500 miles of the desert. Likewise, you can eat your biggest frog bite by bite, focusing on taking one action step at a time.

EAT THAT FROG!

Choose any task or goal you've been procrastinating on. List down the steps and just start instantly by completing 1 item on the list. Then do one more, and the next…

11. Upgrade Your Key Skills

When you feel inadequate or lack confidence in something, you're more likely to procrastinate on it. Continually upgrade your skills in your key result areas—this keeps you up-to-date, and provides the confidence and energy to get things done effectively. Build your mental muscles, using these 3 steps to master any field:

- Read about your field at least 1 hour daily.
- Take every available course and seminar available on the key skills.
- Convert your travelling time to learning time by listening to audio programs.

KEY QUOTES

"Your job is to go as far as you can see. You will then see far enough to go further."

"Feeling weak or deficient in a single area is enough to discourage you from starting the job at all."

"Continuous learning is the minimum requirement for success in any field."

EAT THAT FROG!

Identify the key skills and competencies that you need to become a leader in your field. Resolve to be a master of your craft: set a goal, make a plan, and start developing yourself in those areas.

12. Leverage Your Special Talents

All of us have unique talents and abilities—your job is to find out what they are, and hone them so you can become truly outstanding. Your skills are valuable assets—even if you lose all your money, you can earn it back with the right skills. To identify your talents, consider what you love to do and earns you the most praises or compliments from others.

EAT THAT FROG!

Ask yourself: What do I love most about my work? What has contributed most to my success? If I could have any job, what would I do? To unlock your potential, focus on the areas that you love and have special talents in.

13. Identify Your Key Constraints

In any task or goal, there will always be limiting factors. Sometimes, a small constraint (e.g. a wrong perception or missing process) can create huge bottlenecks.

- Only 20% of your constraints in work/life are external. 80% are **internal** to you (e.g. your beliefs, habits, disciplines, skills). Start by taking full responsibility for your results. Looking into yourself, and ask: What in me is holding me back? What's determining how fast I can achieve my goals?

- Once you've correctly identified your **most critical constraint**, focus fully on eliminating it. When you start your day by removing a key constraint, it'll energize and empower you.

KEY QUOTES

"Become a lifelong student of your craft."

"Your job is to identify your special areas of uniqueness and then to commit yourself to becoming very, very good in those areas."

"Often, alleviating a key constraint or limiting factor is the most important frog you could eat at that moment."

EAT THAT FROG!

Look at your most important goal. Identify 1 key constraint using the questions above, and take any action instantly to remove it.

14. Apply Pressure On Yourself

Only about 2% of people are leaders who push themselves to get things done, rather than wait for others to do things for them.

Set **artificial deadlines** for yourself, e.g. imagine you are leaving for long a holiday tomorrow and must finish all your critical tasks today.

Aim to be a role model, and set the bar as the leader in your field. **Make it a game** to push yourself to go the extra mile, and beat your own records or deadlines.

EAT THAT FROG!

Define the steps for every major job/ project, set deadlines for yourself and make it a game to race against your own clock.

15. Maximize Your Personal Powers

Our performance and productivity depends on our level of physical, mental, and emotional energies. When we're tired after working for long hours, or lack rest, it's like trying to see through a mental fog or walk through sludge.

Analyse your energy levels, identify your **peak periods** (e.g. early in the morning, in the afternoon), and do your most important tasks at these times. When you're tired, use the time to rest rather than work unproductively.

Rest and **recharge regularly**. Go to bed early 5 nights a week, and make a conscious effort to, say, skip TV for an extra hour of rest. Take 1 full day off every week when you totally put

KEY QUOTES

"You must choose your own frogs and then make yourself eat them in their order of importance."

"One of the most important requirements for being happy and productive is for you to guard and nurture your energy levels at all times."

aside work, and allow your brain to rest. Take regular vacations, including short weekend trips and longer two-week trips to reenergize yourself.

Take care of your **physical health**: Eat well, and exercise 200 minutes each week.

EAT THAT FROG!

Analyse your energy levels. Identify what you should (a) do more of, (b) do less of, (c) start doing, and (d) stop doing. Select 1 activity that can improve your health/energy, and repeat it until it becomes a habit.

16. Motivate Yourself Into Action

How you interpret things and talk to yourself affect how you feel, and whether you're motivated or demotivated, energized or de-energized.

Be an **optimist**: (a) Look for the good in any situation, (b) find valuable lessons in setbacks, (c) seek solutions to problem, and (d) constantly think and talk about your goals.

Don't complain about your problems. Instead, s**peak to yourself positively** until you believe those statements (e.g. "I can do it!", "I love myself!").

EAT THAT FROG!

Take control and responsibility of your mind. Focus on solutions, improvements and what you want (not problems, failures or what you don't want).

17. Stop the Technological Time-Drain

Use technology as a tool to effectively communicate and connect anytime, anywhere. However, don't become enslaved by it.

Constant communication is unnecessary, and can be addictive and overwhelming. For example, only a small portion of your emails require your immediate attention. If you missed a truly

KEY QUOTES

"To keep yourself motivated, you must resolve to become a complete optimist."

"Technology can be your best friend or your worst enemy."

"Sometimes, to get more done of higher value, you have to stop doing things of lower value."

vital email or message, the sender will contact you again. **Reduce incessant, low-value communication**, to free up time for high-value work.

To stay calm, clearheaded, and in your peak condition, learn to **detach regularly** from technology and communication devices, especially on your off-day or vacations.

EAT THAT FROG!

Create "zones of silence" daily, e.g. switch off all communication devices and technology for 1 hour in the mornings & afternoons. Stay away from technology for 1 day each week to clear your mind.

18. Breakdown the Task

When a task seems too big and insurmountable, we tend to procrastinate. Psychologically, it's easier to get started on a small task than take on a huge project. Moreover, completing a task gives you a sense of satisfaction that energizes you to take on the next task, then the next, until the job is completed. Break the task down, so you can conquer it bit by bit:

The "**salami slice**" approach: Slice the job up (like slicing a roll of salami), and tackle it one slice at a time.

The "**Swiss cheese**" approach: Set aside a fixed amount of time to work on the project, with the goal of punching a hole in the task. Then, take a break and do something else before returning to punch another hole.

EAT THAT FROG!

Use either of the methods above to tackle a big task you've been procrastinating on. Do it now!

19. Create Large Chunks of Time

Most important, high-value activities (e.g. sales calls, executive planning) require chunks of unbroken time to complete.

KEY QUOTES

"Very few things are so important that they cannot wait."

"The bigger the frog you eat, the greater the surge of personal power and energy you experience."

"Your job in time management is to deliberately and creatively organize the concentrated time periods you need to get your key jobs done well and on schedule."

Use a time-planner to plan for your day in advance. Find ways to consolidate 30/60/90 minute blocks of time, when you can focus on your most important tasks with no distraction. **Schedule the time blocks** in your planner as appointments with yourself.

When you're **travelling** for business, use the time on the plane to plan ahead and/or get work done. You'd be amazed at how much you can complete during that window of uninterrupted time. Make every minute count!

EAT THAT FROG!

Be creative in how you free up chunks of concentrated time. Plan in advance and use this time to work continuously without distraction.

20. Develop a Sense of Urgency

To be highly productive, you must set aside the time to think, plan, and set priorities, then get to work steadily, briskly and with urgency.

When you habitually work on your most important tasks with speed and focus, you're more likely to "**get in the zone**" or get "in flow". In this state, you function at a higher plane with clarity, creativity, and competence, feel energized and achieve effortlessly.

When you're regularly in the zone and working toward your most important goals, you overcome inertia and create **momentum**. You take less energy to keep going and complete your goal.

EAT THAT FROG!

Identify an area where you tend to procrastinate. Resolve to take fast and prompt action, until the sense of urgency becomes a habit.

KEY QUOTES

"A sense of urgency feels very much like racing against yourself."

"A fast tempo seems to go hand in hand with all great success."

21. Single-Handle Every Task

Single handling basically means that, once you begin a task, you keep working on it (without distraction or deviation) until it's done.

- Constantly **starting-and-stopping** a task can take you as much as 500% of the time, since you must re-orientate yourself, overcome inertia and regain momentum each time.

- By learning to focus on your most valuable task and persevering single-mindedly until it's complete, you're moulding yourself for success, by cultivating **self-discipline and control**. When you can master yourself, you can conquer any task.

EAT THAT FROG!

Challenge yourself today. Select your most important task or project, start working on it and do not stop until it's completed.

Other Details in the Book to Look out For

This is a succinct, easy-to-read book that breaks down what it means to eat your frog and get more done in less time. Tracy ends the book with a recap of the 21 rules/principles. By applying them until they're a part of you, you can enjoy great results and success, as well as a sense of personal power and satisfaction. The key is to start taking action immediately.

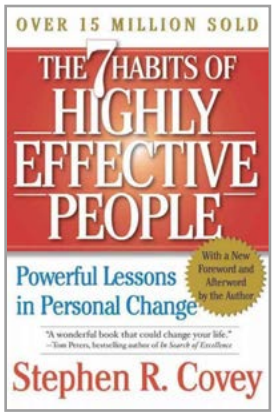
For more details, please visit www.briantracy.com.

KEY QUOTES

"You ability to select your most important task, to begin it, and then to concentrate on it single-mindedly until it is complete is the key to high levels of performance and personal productivity."

"Self-discipline, self-mastery, and self-control are the basic building blocks of character and high-performance."

"Do something. Do anything, but get started."



THE 7 HABITS OF HIGHLY EFFECTIVE PEOPLE

Powerful Lessons in Personal Change

by Stephen R. Covey

The Big "So What"

The book presents a holistic and principle-centered approach to achieve success through positive change from within. Covey's 7 habits were based on a review of some 200 years of success literature, and his ideas still form the foundation for many personal development books and programs today.

Introduction

To become more effective, you need to increase your Production(of desired results) and Production Capacity (the capacity to deliver such results). A central idea of his book is to improve P/ PC from "inside-out", i.e. start with change within oneself. This goes beyond merely improving one's skills or knowledge, but deals fundamentally with who you are, or who you become as an individual. The habits are progressive in nature, though there's no need to perfect one habit before moving on to the next. Each habit sets the foundation for the next level:

Dependence => Independence:
Habits 1-3 provide your "Private Victories" as you develop your character and self-mastery.

Independence => Interdependence:
Habits 4-6 shift how you interact with others, to form trusting relationships with healthy emotional bank accounts. These are your "Public Victories."

Renewal:
Habit 7 creates an upward growth spiral as you continually renew and grow yourself and hone the 6 previous habits.

KEY QUOTES

"Inside-Out" approach

"Change - real change - comes from the Inside-Out... It comes from striking at the root - the fabric of our thought, the fundamental, essential paradigms, which give definition to our character and create the lens through which we see the world".

"Inside-Out" means to start first with self; even more fundamentally, to start with the most inside part of self -- with your paradigms, your character, and your motives".

"Although the habits are sequential, improvement in one habit synergistically increases your ability to live the rest".

Independence

"Real self-respect comes from dominion over self, from true independence... Interdependence is a choice only independent people can make."

Habit 1: Be Proactive

This essentially means to take full responsibility for your lives and choices. To be proactive, you should:

Take the initiative:
No matter what your circumstances are, or what happens in your life, you have total freedom to choose your responses. When you take the initiative to be response-able, you empower ourselves to create your situations and not vice versa.

Choose proactive language:
Use proactive language like "I can", "I will", "I choose to". Avoid language like "I can't", "I have to"…

Focus on your Circle of Influence.
Focus your energy on your Circle of Influence, i.e. areas you can do something about. One area that is fully within your control is who you want to "be", i.e. how you think and act. This is opposed to the Circle of Concern, i.e. areas you have little or no control over, e.g. national economy, the weather.

Habit 2: Begin with the End in Mind

This is the habit of personal leadership. It is about having a clear vision in your mind on your end destination and goals. This is important because everything happens first in your mind before becoming reality in the physical form.
To get started:

Develop a Personal Mission Statement.
This should map out who you want to be, what you wish to accomplish in life, and the values or principles which will define who you are. This statement will guide your daily tasks and priorities.

KEY QUOTES

Responsibility
"Response-ability (is) the ability to choose your response."

Begin with the End
"This habit is called Personal Leadership because leadership is considered to be the first creation of your vision, and management comes in second and productivity third."

Examine the centre.
This involves identifying what is most important to you. This centre is also the source of 4 life-support factors: Security (it gives you personal strength and self-worth), Guidance (it guides your decisions and life direction), Wisdom (it is your source of perspective and balance) and Power (it is your source of strength to make choices and accomplish something).

When you centre your life around unwavering internal principles (as opposed to external factors like your family, spouses, money or career) you will have a more stable foundation for personal effectiveness.

Habit 3: Put First Things First

With clear priorities identified and created mentally (Habit 2), you move into the habit of personal-management. This is where you exercise willpower and discipline, to organise and implement activities that translate your goals into reality.

	urgent	not urgent
important	Quadrant I	Quadrant II
not important	Quadrant III	Quadrant IV

Using the time-management matrix above, Covey explains that your goal is to prioritise time for Quadrant II activities, and he lays out 6 key principles of effective Quadrant II management:

Coherence:
Your personal mission statement is aligned with and reflected in everything you desire, plan and do.

Balance:
There is balance and due attention given to various important areas like your family, health and personal growth.

"People" Dimension:
Besides adhering to an efficient schedule, give focus to effective dealings with other people.

KEY QUOTES

"As a principle-centered person… you have a high degree of security, guidance, wisdom, and power that flows from a solid, unchanging core."

Put First Things First

"It's the exercise of independent will toward becoming principle-centered. It's the day-in, day-out, moment-by-moment doing it."

"Most people say their main fault is a lack of discipline… I believe that is not the case. The basic problem is that their priorities have not become deeply planted in their hearts and minds. They haven't really internalized Habit 2."

Flexibility:
Use planning tools, but don't become a servant to them.

Portability:
Ensure your tools (including your personal mission statement) are portable and can follow you most of the time.

Focus:
To ensure you are preventing and not prioritising crisis, Covey recommends weekly planning, with 4 key activities:

a) Identify Roles : Write down the key roles in your life

b) Select Goals : Identify 2-3 key results to achieve for each role in the coming week, incorporating Quadrant II activities.

c) Schedule : Plan the week ahead and set aside time for these goals.

d) Adapt Daily : Adjust activities to manage unexpected developments.

Habit 4: Think win-win

This is the habit of interpersonal relationship. Win-win is a mind-set and philosophy built on an approach of achieving mutual benefit for the parties involved. Where a win-win solution cannot be reached, consider agreeing to disagree amicably, rather than "force" a deal. To achieve win-win, there are 5 dimensions, each built on the previous layer:

Character
There are 3 critical character traits for win-win:

- *Integrity:* Being true to your values, commitments and feelings
- *Maturity:* Blending courage (to express your ideas and feelings) and consideration (for others' ideas and feelings)
- *Abundance Mindset:* The belief that there is more than enough for everyone

KEY QUOTES

"The key is not to prioritize what's on your schedule, but to schedule your priorities".

Think win-win
"Win-win is not a technique; it's a total philosophy of human interaction".

Relationships

Built based on trust and a positive Emotional Bank Account. The EBA is a key foundation to interdependence, and there are 6 ways to make a deposit or grow the account.

- Understand the other person
- Attend to the Little Things (e.g. small acts of kindness and courtesy)
- Keep Commitments or promises
- Clarify Expectations (and assumptions)
- Show Personal Integrity (i.e. tell the truth and be true to our words regardless of whether we are watched)
- Apologize sincerely when you make a withdrawal

Agreements

Establish a framework for win-win, including the desired results, guidelines, resources, accountability and consequences.

Supportive Systems

Free people up to concentrate on win-win.

Processes

Use processes that facilitate win-win outcomes.

Habit 5: Seek First to Understand, Then to be Understood

This is the habit of communication, and it is built on emphatic listening. Emphatic listening represents an entire paradigm shift because it is not about applying listening skills, but "listening with intent to understand". This is opposed to how most people listen – with the intent to speak or respond; They are still in their own frame of reference, not that of the other person's.

Covey stresses that Habits 1-3 are critical because emphatic listening opens you up to influence by others. Without a "changeless inner core", it will be hard to manage such external influence.

KEY QUOTES

Emphatic Listening

"In empathic listening, you listen with your ears, but you also, and more importantly, listen with your eyes and with your heart... You sense, you intuit, you feel".

"When we really, deeply understand each other, we open the door to creative solutions and Third Alternatives".

When you listen emphatically, you use both sides of your brain, and you are able to respond by both rephrasing the content in your own words, and reflecting how the other party feels. This habit is applicable to all areas of life, as you need to "diagnose before you prescribe".

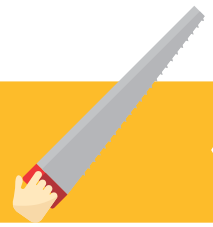
Habit 6: Synergize

This is the habit of creative co-operation, where "the whole is greater than the sum of its parts".

"The essence of synergy is to value differences" and "the key to valuing those differences is to realize that all people see the world, not as it is, but as they are". You will inevitably have mental, emotional and psychological differences in your perceptions compared with others. When you acknowledge that people are all 'correct' in their different perspectives, and are prepared to "value this difference", you gain new knowledge and understanding of reality, and open up Third Alternatives.

Synergy brings about a catalytic, mind-expanding, creative process which can be both exciting and scary. This is because you are letting go of old paradigms, and co-creating new paths or options that previously didn't exist. Often, you don't know where exactly those paths will lead you.

Habit 7: Sharpen the Saw



This is the habit of self-renewal, and has a synergistic impact on all the other habits. There are 4 key dimensions to be renewed regularly:

Physical:
To preserve and enhance the capacity of your physical bodies, you need to care effectively for it, including eating right, getting sufficient rest, and exercising regularly.

KEY QUOTES

Valuing differences

"The key to valuing …differences is to realize that all people see the world, not as it is, but as they are."

"When you communicate synergistically, you are simply opening your mind and heart and expressions to new possibilities, new alternatives, new options".

Sharpening the Saw

"Renewal is the principle -- and the process -- that empowers us to move on an upward spiral of growth and change, of continuous improvement … (it) requires us to learn, commit, and do on increasingly higher planes".

Spiritual:
To continually strengthen your core or center, through reading, music, nature, meditation, prayer or other means.

Mental:
To continually expand and hone your mind, through external study programs, examination of your inner programming and paradigms, or reading and writing to sharpen your mental insights and clarity.

Social/ Emotional:
To deliberately practice habits 4-6 in your daily interactions with other people.

All 4 dimensions are interrelated and must be renewed in a balanced way. In fact, when we sharpen the saw in any one dimension, it creates positive synergistic effects on the other dimensions and our 7 habits.

As we develop interdependence, we have the awareness, power and choice to affirm and reflect back to others a positive reflection of themselves, and hence empower and uplift others. “The more we can see people in terms of their unseen potential, the more we can use our imagination rather than our memory…we can "see" them in new fresh ways each time we’re with them”.

Other Useful Details in the Book to Look Out For

The 7 habits in the book may seem simple, but may not be easy to implement in real life. Covey elaborates on each of the concepts and ideas with details and examples, so we understand how to apply them. He also provides many practical tips including:

1. Application suggestions on how to apply each of the 7 Habits.
2. Practical tips and small details that affect the effectiveness of how each habit is executed, e.g. the importance of using

KEY QUOTES

visualizations and affirmations in developing and reviewing Personal Mission Statements.

3. Example and illustrations to help us understand the 7 habits, including application at a personal and family/ organizational level.

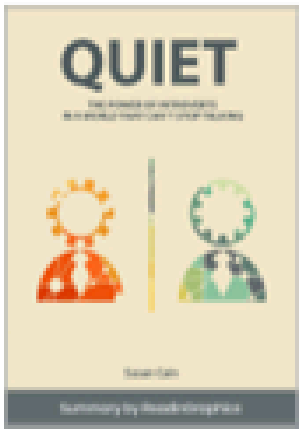
About the Author of The 7 Habits of Highly Effective People

Dr. Stephen Richards Covey was an American businessman, educator, author, and keynote speaker. Besides *The Seven Habits of Highly Effective People*, some of his more popular books include *First Things First*, *Principle-Centered Leadership*, *The 8th Habit*, *and The Leader In Me*.

Covey was one of the most influential thought leaders on leadership, strategy and individual effectiveness. In 1996, he was named one of Time magazine's 25 Most Influential Americans. He founded the Covey Leadership Center, which later became FranklinCovey Co., after a merger with Franklin Quest in 1997.

More resources can be found at *www.stephencovey.com*.

KEY QUOTES



QUIET

The Power Of Introverts in a World That Can´t Stop Talking

SUSAN CAIN

The Big "So What"

Many people believe that to be an achiever or a great leader, you must be bold, action-oriented, outgoing, and aggressive, i.e. you must be an extrovert. In this book, Cain explains why this perspective is flawed, why introverts may be severely undervalued, and how we can bring out the best in ourselves and others by changing the way we see introversion.

In this summary, we've distilled and re-organized the key ideas from the book into **3 parts:**

- Understanding Introversion and Extroversion
- Debunking the Extrovert Ideal
- Living, Loving and Working Optimally

Understanding Introversion and Extroversion

There is no universally accepted definition of an "introvert" or an "extrovert". However, psychologists generally agree that they differ in several ways:

- They function optimally with different levels of **outside stimulation;**
- They **work differently** and are motivated differently; and
- They have different **social styles**.

No one is a pure introvert or extrovert. Our inborn temperaments can be changed to some extent, and we also behave differently depending on the circumstances. We'll now examine the 3 key differences between introverts and extroverts, and if/how they can be bent or changed.

KEY QUOTES

"If there is only one insight you take away from this book...I hope it's a newfound sense of entitlement to be yourself."

"Whoever you are, bear in mind that appearance is not reality."

Response to Stimulation

Physiologically, introverts and extroverts respond differently to environmental stimuli.

- The amygdala in our brain is like an emotional switchboard—it takes in sensory information and uses these inputs to tell our body how to respond. You can guess a child/infant's *natural temperaments* by observing his/her reactions. Those with an excitable amygdala will react more wildly (e.g. howl or wriggle) to new people and objects, and think/feel more deeply about what they've noticed.

- Our temperaments affect how we *interact with our environment* to shape our adult personality. An extroverted child raised in a safe, attentive environment can mature with a huge personality (e.g. Tony Robbins or Oprah Winfrey), whereas the same child raised in a dangerous environment without constructive outlets for his/her energy may end up in delinquency.

- The *orchid hypothesis* by David Dobbs says that children with highly-reactive amygdalae are like orchids. They're more strongly affected by both positive and negative experiences. Hence, they wilt easily and may tip into depression or anxiety if they experience challenges like abuse or parental death. However, with good parenting and a stable environment, they can become exceptionally empathic, caring individuals who thrive in the areas they care about.

Thinking and Working Style

Introverts and extroverts also work and think differently.

- *Extroverts* tend to act quickly (and sometimes rashly), are more comfortable with risks and multi-tasking, and are driven by the thrill of pursuing rewards like money and status.

- *Introverts* tend to work more slowly and deliberately, focus on one task at a time, and are relatively less attracted to wealth and fame.

KEY QUOTES

"Introverts and extroverts often need very different levels of stimulation to function at their best."

"The high-reactive babies were not misanthropes in the making; they were simply sensitive to their environments."

"Every behavior has more than one cause. Don't ever forget that!"
- Jerry Kegan

"If genius is one percent inspiration and ninety-nine percent perspiration, then as a culture we tend to lionize the one percent. We love its flash and dazzle. But great power lies in the other ninety-nine percent."

This is partially due to differences in **rewards-sensitivity**, or the tendency to seek rewards and goals like money, social status, sex and influence.

- *Extroverts* tend to be more rewards-sensitive; they're stimulated by achieving economic, political, and hedonistic goals. This "high" gives them the energy to work hard, play hard and take risks. However, people who are *too* sensitive to rewards may get carried away, e.g. become so excited about potential winnings from the stock market that they overlook the warning signals.

- On the other hand, *introverts* are less rewards-sensitive; they're more likely to have a plan and stick to it, since they're better at regulating their emotions and delaying gratification.

Problem-solving. Extroverts are better at handling information-overload, pressure and multi-tasking, while introverts are better at solving complex problems through clarity, patience and persistence.

- *Extroverts* tend to focus on what's in front of them and direct most of their energy to the current goal. They're action oriented, are more likely to take short-cuts, or abandon a problem if it gets too frustrating. When extroverts make a mistake, they often bulldoze their way through and speed up rather than slow down.

- *Introverts* prefer to contemplate, imagine possibilities and make plans for their future. They tend to think of the "what-ifs", study the data thoroughly, and think before they act. They typically downplay rewards, and persevere slowly but steadily on a task.

Social Styles

Introverts and extroverts also have different **social skills and needs.**

Extroverts need company and dislike solitude.

- They tend to talk more than listen, are comfortable mingling

KEY QUOTES

"Extroverts seem to get an extra buzz from the pursuit and attainment of their goals."

"Reward sensitivity on overdrive gets people into all kinds of trouble."

"It's as if extroverts are seeing 'what is' while their introverted peers are asking 'what if'."

"It's not that I'm so smart... It's that I stay with problems longer."
- Albert Einstein

"If you're an introvert...you have the power of persistence, the tenacity to solve complex problems, and the clear-sightedness to avoid pitfalls that trip others up."

"Your degree of extroversion seems to influence how many friends you have...but not how good a friend you are."

with *large groups of people*, never seem to run out of things to say, and may even blurt things out unintentionally.

- They prefer to *confront conflict* head-on, and respond well to competition and aggression.

Introverts prefer deep, meaningful discussions and one-to-one interactions, ideally with close friends, colleagues, and family.

- They *enjoy solitude*, listen more than talk, consider their responses carefully and dislike small talk and conflict. Thus, they can be very likeable and engaging in an intimate social setting.

- In fact, introverts' *sensitivity* may show up physically, e.g. blushing or perspiring when they're flustered. These traits are valuable socially as they convey humility, a desire to avoid aggression and abide by social rules.

- Introverts generally prefer to *avoid conflict*, and respond better to nurturing, friendly people.

KEY QUOTES

"Physical lack of cool may be more socially valuable than we think."

"Introverts like people they meet in friendly contexts; extroverts prefer those they compete with."

Stretching your Personality

Nature vs Nurture: Your *temperament* is inborn, while your *personality* is shaped from the complex mix of your inborn traits, cultural influence and personal experiences. Only 40-50% of key personality traits, including introversion and extroversion, are heritable.

"Some say that temperament is the foundation, and personality is the building."

You can't change your inborn temperaments, but you can learn to **control your impulses** and stretch your personality to some degree.

- The *pre-frontal cortex* is the part of your brain that handles logic, planning, and analysis; it can moderate your amygdala's impulses.

- When your sensitive amygdala reacts wildly to something new, your frontal cortex can intervene to *soothe these impulses*, such as rationalizing that you can handle the novelty or through positive self-talk. Thus, an introvert can

learn to overcome his shyness, and an extrovert can learn to be quiet.

The Free Trait Theory by Professor Brian Little also suggests that, although we have fixed personality traits, we sometimes act out of character, especially when it comes to "core personal projects", i.e. work, tasks, or people that are especially important to us. An introvert who's usually soft-spoken may become unusually passionate or excited about something that he/she cares deeply about. It's like taking on a temporary "free trait" and switching to extrovert mode.

However, we *cannot* switch off the amygdala or our true nature; we merely suppress it. If we constantly act out of character (even for core personal projects), we'll feel the strain, like a rubber-band that's **overstretched.**

- In short, our *natural discomfort* still surfaces in the amygdala; Practice/training only affects how quickly our frontal cortex can neutralize the impulses.

- In fact, our true selves often seep out through "*behavioral leakage*" or unconscious body language. For example, an introvert may unconsciously look away when engaging a stranger whereas an extrovert would look at the person in the eye.

Debunking the Extrovert Ideal

Today, management and cultural norms in America favor extroversion over introversion. However, both personality types have their strengths and are vital for success.

Extroversion wasn't always a cultural ideal. In the book, Cain traces the shift from the "Culture of Character" to "Culture of Personality".

- Before the 18th century, the focus was on *character*, with associated concepts like honor, discipline, and integrity.

- The interest in *personality* grew alongside the rise of the self-help industry. Americans became increasingly obsessed with ways to become more popular, influential, confident

KEY QUOTES

"We can stretch our personalities, but only up to a point. Our inborn temperaments influence us, regardless of the lives we lead."

"Extroversion is an enormously appealing personality style, but we've turned it into an oppressive standard to which most of us feel we must conform."

"We're told that to be great is to be bold, to be happy is to be sociable. We see ourselves as a nation of extroverts—which means that we've lost sight of who we really are."

and competitive. Commercial ads played up the advantages of being bold, charming, outspoken and gregarious (as opposed to be being shy and inconspicuous).

- By the 20th century, the prevailing belief is that the ideal self is someone who's assertive, sociable, and comfortable being in the spotlight. Cain calls this the "*Extrovert Ideal*".

To research **how the Extrovert Ideal is manifested** in modern society, Cain personally visited, researched and observed many prominent individuals and institutions. Here are some highlights:

- *Tony Robbins and Salesmanship*. At Robbin's *Unleash the Power Within* (UPW) experience, Cain found herself surrounded by loud music, cheering, adrenaline-pumping sessions and dramatic challenges like walking on hot coals. Robbins was the perfect embodiment of power and the superior mind, brimming with energy, confidence and a larger-than-life presence. His belief and energy was so infectious that the audience accepted his aggressive upselling and happily bought whatever he pitched.

- *Harvard Business School (HBS) and Charismatic Leadership*. Students at the HBS are taught that leaders act confidently and can make decisions with incomplete information. Students walk with purpose and confidence, communicate with energy, dress sharply, and are expected to be vocal and attend lots of social functions to build a huge network. HBS students are conditioned to believe that extroversion is essential to success in the business world, and even the introverts try their best to be extroverted.

- *Saddleback Church and quiet evangelism*. At this evangelical church, Cain met with pastor Adam McHugh. As an introvert, McHugh initially struggled with public expectations that he should be enthusiastic, warm and mingle regularly with people in the community. Thankfully, the growth of social media gave him (and other introverts) a new channel to engage others in the community. McHugh has been advocating a more balanced path to god, including a mix of extroverted practices and quiet, contemplative practices.

X While extroversion has its strengths, it's simply **untrue that extroversion is a prerequisite for success.**

KEY QUOTES

"If Abraham Lincoln was the embodiment of virtue during the Culture of Character, then Tony Robbins is his counterpart during the Culture of Personality."

"This school is predicated on extroversion... your grades and social status depend on it."
–A Harvard Business School student

- Many *famous people*—from inventors to leaders and artists—are introverts. In fact, people like van Gogh, Bill Gates, Eleanor Roosevelt, Al Gore, Warren Buffett, and Mahatma Gandhi, probably achieved what they did because of their introversion.

- It's estimated that about *one in every 2 or 3 Americans are introverts*. Rather than condition everyone to act like extroverts, it makes more sense to understand and leverage the unique strengths of both introverts and extroverts.

- In fact, research and studies suggest that *introversion can be just as vital* as extroversion.

Leadership. Studies show that extroverted leaders are not necessarily more effective than introverted leaders.

- Jim Collins found that charismatic, larger-than-life leaders are less effective in *transforming companies* than unassuming leaders who put aside their egos and focus on building their institutions.

- Adam Grant also found that introverted leaders are better at *nurturing proactivity*. Extroverted leaders tend to dominate others, dampen proactivity, and are stronger only in leading passive staff who don't show initiative. On the other hand, introverted leaders are better at leading initiative-takers, since they tend to listen after and adopt others' suggestions.

Mastery. Solitude, or the ability to work independently, is vital for excellence in any field, because it enables "deliberate practice".

- Mastery requires *focused and intentional improvement*. Chess grandmasters spend almost 5x as many hours as intermediate-level players in self-study in their first 10 years of chess play. Elite musicians use solo-practice to master their craft and treat group-practices as a leisure activity.

- Deliberate practice is *best done alone* because (a) it requires intense focus and others' presence can be distracting, and (b) you must identify and master tasks or knowledge that are specifically challenging to you, and this is best tackled alone.

KEY QUOTES

"Some of our greatest ideas, art, and inventions—from the theory of evolution to van Gogh's sunflowers to the personal computer—came from quiet and cerebral people who knew how to tune in to their inner worlds and the treasures to be found there."

"We don't need giant personalities to transform companies. We need leaders who build not their own egos but the institutions they run."

"Introverted leaders create a virtuous cycle of proactivity."

"If you want to improve what you're doing, you have to be the one who generates the move."
- Research Psychologist, Anders Ericsson

Solitude is also vital for creativity and productivity. Today, many organizations are adopting open-concept offices, group brainstorming and collaborative learning, under the wrong assumption that these will enhance creativity and team synergy. Cain calls it this trend the "New Groupthink".

- The success of *online crowdsourcing* has led organizations to model their face-to-face interactions after the openness of the internet. However, it's wrong to assume that online and face-to-face interactions work the same way.

- Great inventors and engineers are like artists: they work best when they can *focus fully* on their tasks. Programmers who had privacy and control over their workspace were found to perform 10x as well as programmers who didn't.

- *Excessive stimulation* hinders rather than promotes learning. You learn better after a quiet stroll through the woods, compared to a walk down a noisy city street. Multitasking can also reduce productivity and increase mistakes by up to 50%.

- Hence, *open-concept* offices are more likely to create distraction and stress than promote creativity. Reebok International shelved its open-concept office when its shoe designers gave feedback that they needed peace and quiet to concentrate. Jason Fried, cofounder of 37signals, allows his staff to work away from the office and enforce no-interruption work hours.

Group work may also hinder creativity:

- Studies have shown that the larger the group, the lower the *number and quality of ideas* generated. This is probably because (a) *social loafing* occurs as some people sit back while others do the work, (b) only one person can talk at a time, so people are unproductive while waiting for their turn, and (c) people hold back their inputs for *fear of looking stupid*.

- In fact, studies found that people don't just hold back their ideas—the inputs from their peers can fundamentally *change their perspective*.

KEY QUOTES

"Instead of distinguishing between online and personal interaction, we used the lessons of one to inform our thinking about the other."

"The New Groupthink elevates teamwork above all else. It insists that creativity and intellectual achievement come from a gregarious place."

"Introverts prefer to work independently, and solitude can be a catalyst to innovation."

"If personal space is vital to creativity, so is freedom from 'peer pressure'."

"We perceive talkers as smarter than quiet types— even though grade-point averages and SAT and intelligence test scores reveal this perception to be inaccurate."

- In a group setting, the louder and more aggressive people also tend to *drown out* good ideas/opinions of the quieter ones. Rousing speeches and loud discussions may also lead poorer outcomes due to emotional and ego-led decisions.

- The only exception is during *online brainstorming*, where individuals do better in a group setting. This is because people are still working on their own despite being connected with others online. People may also be more creative when they work alone in a busy café or city, rather than in total isolation in the mountains.

Living, Loving and Working Optimally

Making the Most of Introversion & Extroversion

Introverts and extroverts have different strengths and weaknesses. Neither is perfect, and we need both for society to function well.

In the book, Cain shows the power of an **extrovert-introvert partnership** through a detailed case study of how Franklin Roosevelt's outgoing and confident nature was balanced by Eleanor Roosevelt's social conscience and sensitivity.

- Being highly-sensitive, *introverts* tend to be more emphatic, philosophical or spiritual, rather than materialistic or hedonistic. They are more in-tune with others' feelings, have stronger consciences, and hold themselves to high behavioral standards. Yet, being slow and cautious could mean missed opportunities.

- *Extroverts* are driven and glad to be in the spotlight, thus providing visibility, speed, risk-taking and the ability to move forward in uncertain situations. Yet being fast and aggressive, they're more likely to make mistakes.

KEY QUOTES

"We fail to realize that participating in an online working group is a form of solitude all its own."

"The sensitivities and the strengths are a package deal."

"We need our Eleanor Roosevelts as surely as grazing herds depend on their sensitive antelopes."

"These traits—alertness, sensitivity to nuance, complex emotionality—turn out to be highly underrated powers."

Maximizing Personal Potential

To be at your peak performance, seek to operate from your sweet spot, and occasionally stretch yourself when the situation requires it.

Find your "sweet spot", i.e. the optimal level of stimulation where you work best and feel most energetic. This allows you to:

- Identify the ideal careers, businesses, hobbies and social life that can *improve your overall satisfaction and success*.
- *Manage the sub-optimal situations* more effectively when you push yourself outside your comfort zone, e.g. request for advance notice to prepare for speeches or networking events.

Manage your thinking:

- Know where you sit on the *rewards-sensitivity* spectrum. If you're a *rewards-prone extrovert*, direct your energy to building things/businesses and inspiring others, but deliberately pause, reflect on warning signals and learn from mistakes. If you're an *introvert*, learn to be seen and heard in your natural way, e.g. sharing your ideas quietly but powerfully.
- *Solve problems* by tapping on extroverts' ability to handle pressure and diverse information/tasks, and introverts' clarity, patience and persistence.

Close communication gaps. Conflict often arises from a lack of understanding between introverts and extroverts. For example, at the end of a socially-overstimulating day, introvert Tom just wants to return to his quiet self and recharge. However, his extrovert wife, June, desires his company, and feels upset that Tom is so engaging with others but clamps up once he's home. The angrier and louder June becomes, the more Tom withdraws (and feels hurt by her lack of understanding), which upsets June further in a vicious cycle.

KEY QUOTES

"Even though we can reach for the outer limits of our temperaments, it can often be better to situate ourselves squarely inside our comfort zones."

"The trick for introverts is to honor their own styles instead of allowing themselves to be swept up by prevailing norms."

- As an *extrovert*, if you feel your anger mounting, take a few deep breaths to calm down first.

- As an *introvert*, even if you don't wish to fight back, learn to take a firm stand and say "this is not ok with me". Use your empathy to consider the true meaning behind the other person's agitation.

Create the **right social setting** where everyone can enjoy themselves. Let extroverts be in the centre of attention or handle a large group, and allow introverts to have cozy, one-on-one chats.

Stretching yourself

Use these 3 steps to **identify your core personal projects**, as these are the most natural for stretching yourself:

- Think back to your *childhood* and what you wanted to be when you grew up. Examine the underlying reasons for those choices, e.g. if you wanted to be a dancer, was it due to the thrill of performing, to move gracefully, or to wear beautiful costumes?

- Consider the *work that you're attracted to*, e.g. the work you volunteer for, and what energizes you.

- Notice what you *envy*, as they reflect your desires.

Find your **restorative niches**, i.e. places or activities where you can be in-character and recharge.

- Before taking on a *new job*, consider if it will offer you the time and opportunity for such restorative niches.

- Use a "*Free Trait Agreement*" to strike a more optimal balance:

  i. *Set a quota* for what you'd do to achieve your goals, e.g. an introvert may decide to attend up to 2 social events a week, then retreat to his/her restorative niche without guilt.

  ii. Agree on a balanced arrangement with your *spouse or*

KEY QUOTES

"Even if you're stretching yourself in the service of a core personal project, you don't want to act out of character too much, or for too long."

friends that meets your mutual needs, e.g. an extroverted-introverted couple may agree to spend 50% of their date nights quietly at home and 50% out mingling with people.

Teamwork and Collaboration

Enhance results by using a blend of group and solitary activities.

Offer a **range of work options**—such as solo workspaces, cafes, quiet zones, and mingling spaces—so people can choose to interact or retreat into their private corners when needed.

Assign tasks based on people's strengths and tap on the **natural symbiosis** in introvert-extrovert relationships.

To improve **learning effectiveness** in schools, use a mix of cooperative learning and deliberate practice.

Nurturing Introverted Children

Avoid forcing introverted kids to become more assertive or energetic. Instead, try to understand how they see the world.

Introduce novelty gradually. Since introverts naturally recoil from novelty and may be overstimulated by new people, places and events:

- Allow your kids to *take things at their own pace*. For very young children, facilitate the initial introductions to other kids, and be around for as long as they need to feel comfortable.

- *Encourage them* when they take social risks, e.g. by saying "I saw you going up to your new classmates earlier. I know it can be difficult, and I'm proud of you."

Build confidence. Don't push them too hard nor overprotect them.

- Instead, help them understand that their feelings are normal and can be managed. *Be supportive*, help them take baby

KEY QUOTES

"The way forward...is not to stop collaborating face-to-face, but to refine the way we do it."

"Slowly your child will see that it's worth punching through her wall of discomfort to get to the fun on the other side. She'll learn how to do the punching by herself."

steps to overcome their fears, e.g. exposing them to a new item from afar, then gradually increasing the engagement each time.

- *Be a role model* to show them how to meet strangers and friends in a calm and friendly way. Over time, they'll learn to reassure themselves and regulate their own fears and behaviors.

- *Create engagement opportunities*, e.g. find topics that energize them, encourage them to choose responsibilities in a group setting (e.g. note-taking), and find activities where they can meet other kids while still having their own space.

Learning and Education. Most schools are designed for extroverts, with overstimulating environments and little time to think or create.

- Remember that introversion isn't a problem to be fixed. Respect each child's uniqueness and *tailor your approach* accordingly.

- Most introverts have *1-2 deep interests*, and the best way to draw them out is to give them a topic that's so compelling that they forget their inhibitions.

- An *ideal learning environment* should come with a mix of movement and group/collaborative work, with downtime, one-to-one interaction and independent projects.

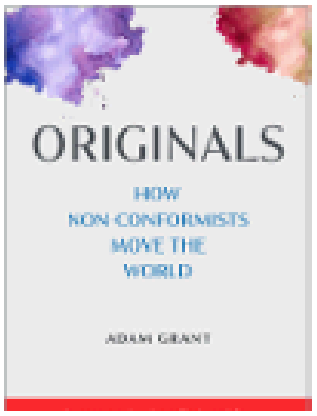
Other Details in the Book to Look out For

This book is packed with anecdotes, examples, and resources including:

- Details of Cain's research and personal meetings with experts, researchers, leaders, professionals etc., as well as relevant research and studies on introversion/extroversion;

- A closer look at Americans' obsession with extroversion, compared with the quiet persistence valued by Asians;

KEY QUOTES



ORIGINALS

How Non-conformists Move The World

ADAM GRANT

The Big "So What"

Most major breakthroughs in our world are made by a handful of people who dare to think differently. Grant calls them the "Originals". In this book, he shows that creativity *can* be nurtured, and explains how each of us can think originally to make a greater impact.

Introduction

Being original is simply about taking a less traveled path to pursue fresh ideas and improvements, even if they conflict with the prevailing norms. It involves having a novel concept and taking action to make it a reality.

It's a myth that Originals are revolutionaries with inborn talents, unusual passion and conviction, and a huge appetite for risk. The reverse is true—Originals are ordinary people, and *anyone* can choose to think differently.

Most people conform to norms in hope of fitting in and avoiding failure. Originals also have their **fears and self-doubt.** In fact, many famous people didn't pursue/publish their ideas until they were "forced" to do so.

- *Michelangelo* refused to paint the Sistine Chapel ceiling because he saw himself as a sculptor rather than a painter. He only agreed to the project after 2 years at the Pope's insistence.

- *Steve Wozniak* started Apple with Steve Jobs in 1976 but refused to leave his full time job at Hewlett-Packard (HP). He only made the leap in 1977 when an angel investor agreed to fund Apple on the condition that Wozniak left HP.

KEY QUOTES

"This book proves that any one of us can champion ideas that improve the world around us."

"The hallmark of originality is rejecting the default and exploring whether a better option exists."

"In search of excellence and in fear of failure, most of us opt to fit in rather than stand out."

"The people who move the world forward with original ideas are rarely paragons of conviction and commitment…they, too, grapple with fear, ambivalence, and self-doubt."

- *Martin Luther King, Jr.* never wanted to lead the civil rights movement. His dream was to be a pastor and college president. Yet, he was swept up by a chain of events after he was nominated as the president of the Montgomery Improvement Association.

New, untested ideas are naturally risky. Yet, Originals are not reckless risk-takers. Instead, they tend to take calculated risks and develop **balanced risk portfolios**. Similar to how successful investors build a balanced investment portfolio, successful people balance the risks in their lives—if they take an extreme risk in 1 area of their life (e.g. business), they'll balance it with extreme caution in other areas (e.g. family).

Using various real-life stories and examples of how Originals succeed and fail, Grant presents useful insights and tips to improve our chances of successful innovation. In this summary, we'll present the key ideas in 2 parts:

- Managing the Risks of Originality; and
- Unleashing Originality at Work and at Home

KEY QUOTES

"To become original...means accepting some measure of risk. But the most successful originals are not the daredevils who leap before they look."

Managing the Risks of Originality

Often, the challenge with creativity is not the lack of fresh ideas, but selecting the right ideas and getting buy-in to make them a reality.

"In reality, the biggest barrier to originality is not idea generation—it's idea selection."

Generating and selecting ideas

Being an Original starts with **being curious**. Don't simply accept the status quo—understand why it exists and challenge how it can be improved. Realize that all rules and systems are man-made and can be changed.

"Rules and systems were created by people. And that awareness gives us the courage to contemplate how we can change them."

A key to originality is to **come up with more ideas**, and use feedback to figure out which ones work.

- We are *bad at predicting* which creations will work. Creators typically go back-and-forth between fresh ideas and old

"Put a lot of ideas out there and see which ones are praised and adopted by your target audience."

ones that they'd previously rejected, until they hit on a winning idea.

- Our first ideas are usually the least creative. As we reject them, we gradually open ourselves up to *newer and better options*. Rather than try to perfect the few ideas you have, develop more options and test them.

As you build the **breadth and depth of your experience**, it expands your frame of reference and improves your creativity.

- *Learn a new craft*. Entrepreneurs and creators who're involved in the arts (e.g. painting, music, literature) tend to be more creative, since they offer new ways to express ideas and feelings using images, sounds, and words.

- *Acquire new skills and knowledge* by requesting for a job rotation or volunteering for new projects.

- *Widen your cultural exposure* by working overseas for several years, ideally immersing yourself in culture(s) that are very different from your own.

Procrastination may be bad for productivity, but can be good for creativity. The key is to **procrastinate strategically**.

- When a task is incomplete, it stays active on our mind. *Take a break* after working on an idea—let it incubate while you explore new options, so you avoid being prematurely fixated on an idea.

- In an *experiment*, students who procrastinated delivered proposals that were 28% more creative. King's famous "*I Have a Dream*" speech in 1963 was written only the night before the event, even though he started gathering material and advice months prior. In fact, the most memorable lines from the speech (including the dream angle) were improvised on the day itself. King was able to do so because he had a wealth of material without prematurely committing himself to 1 angle.

Tapping late-mover advantages. It's a common misconception that to be original, you must be the first. Conventional business wisdom says that the first party to launch a new product/ technology has an edge in terms of market share and learning.

KEY QUOTES

"Procrastination may be the enemy of productivity, but it can be a resource for creativity."

"Great originals... procrastinate strategically, making gradual progress by testing and refining different possibilities."

"The most successful originals don't always arrive on schedule. They are fashionably late to the party."

- However, the *risks of being the first mover* can greatly outweigh the benefits. Pioneers of a new product were found to fail 6x more than "settlers" who entered only after the market was developed. Pioneers who survived also had less than half of the settlers' market share. This is because (a) pioneers are more likely to *overinvest* in something the market is not yet ready for, and (b) settlers can take the time to learn from pioneers' mistakes, adapt to changes in the market/consumer tastes and *balance their risk portfolios* before entering the market.

- It's not always bad to be the first to market. However, don't rush in just to be the first; focus on *learning, adapting and reducing your risks* instead.

It's a myth that older people can't innovate. In fact, we can deliberately **sustain our creativity** by adapting our style of thinking.

- It's true that most innovative breakthroughs come from younger people up to 30-35 years of age. They typically get a creative insight and focus on executing it—an approach called *conceptual innovation*. The process is much faster, but the creator may lack new inspiration after the initial creation.

- On the other hand, *experimental innovation* involves solving problems through trial and error, learning and evolving along the way. This approach takes years, but the accumulated data, knowledge and skills form the foundation for future discoveries.

- As you age, *continuously experiment* with different ideas and solutions; as you build your experience, you may uncover a big idea. Leonardo da Vinci started working on The *Last Supper and Mona Lisa* in his late 40s/early 50s; for both works, he only knew what he wanted to create *after* he started drawing.

Using intuition vs analysis. Our intuitions are only accurate in areas where we've accumulated lots of experience in a predictable environment. In such cases, our brains learn to recognize patterns that allow us to make quick but sound decisions. However, when we lack domain expertise and/or a

KEY QUOTES

"It's true that the early bird gets the worm, but we can't forget that the early worm gets caught."

"Being original doesn't require being first. It just means being different and better."

"Good things come to those who wait, and for experimentalists, it's never too late to become original."

consistent environment, we should use proper analysis instead of relying on our intuition.

Evaluate ideas using peer feedback.

- We tend to be *overly-positive* about our own creations, while managers tend to be *overly-negative* about novel ideas that don't meet existing norms. People who take on the role of an evaluator (as members of a test audience or a focus group) also tend to unconsciously assess an idea based what they think should work. Ironically, the more expertise you have in an area, you more you're likely to reject ideas outside the current norms/rules.

- The best people to get feedback from are your *peers* or fellow creators, as they're more likely to have the domain knowledge to evaluate the idea without being colored by vested interests.

Let's look at how the insights above played out in a couple of **real-life examples :**

- *Warby Parker*. Back in 2008, Luxottica controlled >80% of the eyeglasses market and could charge 20x of the cost price, resulting in outrageously expensive eyeglasses. 4 frustrated students came together to explore ways to offer cheaper eyewear. The team had diversified background in bioengineering, healthcare, consulting, and banking, and 3 of them wore glasses. To manage their risks, they attended an entrepreneurship class, ran surveys and focus groups to identify what people felt about buying glasses online, and developed options to address customers' concerns before launching their free "home try-on program". With all the key ingredients in place, Warby Parker took off; in just 5 years, it grew to >$100mil annual revenues with a valuation of >$1bil.

- *Segway* (a self-balancing personal transporter) turned out to be a flop despite initial hype that it'd be a game-changer. Even big names like Apple's Steve Jobs, Amazon's Jeff Bezos and legendary investor John Doerr believed the technology would be a hit. However, the Segway eventually failed as the team fail to obtain enough critical feedback to refine the product. Even Steve Jobs failed to evaluate the technology correctly because his passion and confidence led him to

KEY QUOTES

"As we gain knowledge about a domain, we become prisoners of our prototypes."

"We often speak of the wisdom of crowds, but we need to be careful about which crowds we're considering."

skip a thorough analysis of this new technology even though he lacked domain experience in transport (being more familiar with computers and design).

Voicing and Championing Original Ideas

How you push for an unconventional idea can affect your career, relationships and determine whether the idea gets adopted.

When you're pitching your idea, **highlight the downsides**, e.g. why someone should not invest in your project, or why they should not buy your business. This works because:

- People are naturally skeptical of new ideas. When you share your weaknesses, they move from defensive to *problem solving mode*.

- If the audience already recognizes the weaknesses, *it makes you seem more trustworthy*.

- People assume that those who're more critical have more expertise and are more discerning. Experiments show that reviewers of a book/artpiece are *perceived to be smarter* if they simply replace a few positive words with negative ones (e.g. "inspired" to "uninspired").

- It triggers a mental bias to *bring a more positive evaluation*. People who're asked to list 3 happy things feel better about their lives compared to those who're asked to list 12. That's because most people can list 3 happy things easily, but struggle to think of 12 things (which makes them feel their lives aren't so good). Highlight 3 key weaknesses and invite your audience to think of other issues—when they struggle to find other problems, they'd assess your proposal more favorably.

Make your idea familiar. Many creators make the mistake of *under-communicating* their idea—they've spent so much time on their idea that they forget others are not as exposed to it.

- The more familiar we are with something, the more we like it because it becomes less threatening and easier to process. To make people comfortable with a novel idea, *repeat*

KEY QUOTES

"Leading with weaknesses disarms the audience."

yourself at least 10-20x, using short messages mixed with other ideas. Space them apart by a few days to maintain curiosity and give time for the idea to sink in.

- *Connect your concept* to other ideas that are already understood by the audience. Disney's team struggled with the concept for the Lion King movie until they framed it as "Hamlet in a Savannah setting"—to convey the idea of family feud amongst lions.

Moderate your approach. If you push a radical idea directly, people will resist; yet if you tone it down too much, it may lose its impact. To succeed, you must be willing to temper your idea and present it in a way that appeals to the mainstream audience.

- *Reframe your idea* in terms of values or beliefs that others already hold, or show how your idea supports their goals. When pushing for women's voting rights, Frances Willard didn't argue for societal reform or justice. Instead, she appealed to gender-role stereotypes by calling it a "home protection ballot" for conservative women to protect their homes from alcohol abuse.

- *Focus on "how"* instead of "why", to shift the attention from differences in convictions to gaps that can be filled. In 2011, Meredith Perry sought to create wireless power chargers by converting ultrasound vibration to power. All the experts insisted it was impossible. She stopped telling people what she wanted to create; instead, she got different experts to design different components (transmitter, receiver etc.) based on her specs, before putting them together. By 2014, she had completed her prototype and her company uBeam had secured 18 patents and $10mil of venture funds.

Seek out the right people. We tend to share our ideas with friendly people who'd agree with us. However, this means we may not get the critical feedback needed to hone our ideas. Seek the feedback and support of people who have a track record of challenging status quo, trying new ideas, and are willing to seek improvement over protection of status quo.

Build power and status. Power involves authority over others, while status involves having others' respect. You need both to effectively champion an idea.

KEY QUOTES

"If we want people to accept our original ideas, we need to speak up about them, then rinse and repeat."

"To draw allies into joining the cause itself, what's needed is a moderately tempered message that is neither too hot nor too cold, but just right."

"Status cannot be claimed; it has to be earned or granted."

- The ideas above can improve your chances of pitching a radical idea without jeopardizing your career. However, if your voice constantly falls on deaf ears, it may better to *exit the organization* and pursue your options elsewhere.

- For years, CIA analyst Carmen Medina tried to push for a classified internet platform for intel agencies to share intelligence. Her idea was shot down by everyone and she eventually left her job. Less than 10 years later, she played a vital role in the birth of *Intellipedia*, a Wikipedia equivalent for intel agencies. This time round, her work itself involved the internet and she changed the way she presented her ideas. This allowed her to build credibility while pushing her agenda without seeming to fight the status quo. She was also backed by a tough boss who was ready to make changes to improve the CIA.

Managing Emotions

Change triggers feelings like fear, doubt and anger. To see your ideas through, you need to manage your own emotions and overcome others' negative feelings toward change.

Both **optimism and pessimism** are useful coping strategies Pessimism can lead to despair, but can also help to mitigate risks.

- If you're feeling unsure, use "*strategic optimism*" to stay calm, set high expectations and expect the best, until you've rebuilt your confidence and commitment.

- Once you've settled into a specific course of action, use "*defensive pessimism*" to avoid complacency. Imagine everything that can go wrong and prepare thoroughly to minimize your risk.

When you're feeling anxious, you can **manage your fears** in 2 ways: by calming down, or by channeling the anxiety productively. Generally, it's easier to switch your emotional state from fear to excitement, than to try and calm yourself down. This is because:

KEY QUOTES

"In some circumstances, leaving a stifling organization can be a better path to originality."

"Rather than trying to suppress a strong emotion, it's easier to convert it into a different emotion—one that's equally intense, but propels us to step on the gas."

- When you're fearful, your body is pumped with adrenaline and in *"go" mode*. Thus, it's easier to tell yourself "I am excited" than "I am calm".

- Fear comes from *uncertainty* about the future. Since the future can also be positive, you have reason to be excited.

The best way to **inspire people** is to share a vision, then invite the customers or beneficiaries to share how this impacts them personally. This creates an emotional impact and makes the message seem more authentic. When University scholarship students called potential donors to describe how the donations could help them, they raised 3x the average amount of donations.

However, an inspiring vision alone is not enough. To motivate action, people must feel a **sense of urgency** to change *now*.

- The key is to leverage people's *loss-aversion*. Nobel Prize winner Daniel Kahneman found that people will prefer an option with a higher chance of a smaller gain, over an option with a lower chance of a bigger gain. When facing a potential loss, people will prefer to avoid the loss at all cost, even if it means risking an even bigger loss.

- Thus, if something seems risky, people will cling to status quo even if they see the potential benefits of change. You must show them what's wrong with the status quo and *emphasize what they'll lose* if they don't change. Make the gap between "what is" and "what it could be" as big as possible, and amplify their sense of frustration or anger.

- To *renew commitment and confidence* when people are wavering, focus on the investment and progress that's already been made and would be wasted if you give up. Once commitment is secured, look forward and focus on what needs to be done.

- On New Year's Eve of 2000, *Serbian political activist* Srdja Popovic and his friends organized a celebration in the Republic Square. Close to midnight, the square went dark and people began counting down. At midnight, instead of rock bands and performances, people were shocked to hear depressing music followed by an announcement that there

KEY QUOTES

"The leader's message provides an overarching vision to start the car, and the user's story offers an emotional appeal that step on the accelerator."

"The prospect of a certain loss brings the go system online."

was nothing to celebrate after a year of war and oppression. That night, Serbians went home with the message that 2000 was the year for change.

- To push for innovation, *Merck* CEO Kenneth Frazier asked leaders to generate ideas on what'd put Merck out of business. As the executives brainstormed challenges and defensive moves, they realized the risks and potential losses if they stuck to status quo; they were now ready to embrace innovation.

Channelling anger. Anger can drive us to take action, but such actions are unlikely to be effective.

- Studies in anger management found that *venting your anger* (e.g. by hitting a punching bag while thinking of the perpetrator) only feeds the anger and aggression. It's also stressful and exhausting to supress your feelings.

- A better response is to *focus on the victim*. This makes you more empathetic and allows you to channel your anger constructively, to help the victims rather than seek revenge or retaliation against the perpetrator.

- To manage potential *racial conflicts*, King ran workshops for thousands of black Alabamans to simulate abuse by "white passengers", with the goal of training participants to manage their anger so they wouldn't resort to violence and worsen the situation. King also urged victims to on freeing their own children and preserving their dignity, not on defeating the white men.

Creating and Maintaining Coalitions

When seeking support, we tend to look for groups/people who share common goals/beliefs. However, it may be better to seek those who share **common tactics**.

- *Common goals* don't always work because radical groups tend to adopt an extreme "all or nothing" view which makes it hard for other moderate groups to relate to them.

KEY QUOTES

"In seeking alliances with groups that share our values, we overlook the importance of sharing our strategic tactics."

- Instead, those who share the *same tactics* as us will tend to feel a sense of affinity even without the same values/ beliefs. For example, someone who participates in protest marches is likely to relate to another who's protesting for a different cause.

Work with your enemies, not frenemies. We tend to think most positively of our friends and most negatively of our enemies. We'd generally favor a frenemy (who swings between supporting and undermining us) over an enemy. However, when it comes to alliances, it may be better to cut off the frenemies and try to win over our enemies.

- Research found that predictably-negative relationships are *less stressful* than ambivalent ones that keep you second guessing.

- When you *convert someone* from negative to positive, they tend to be more motivated to maintain a positive relationship. They're also more effective in persuading others to join us, since they know others' concerns and appear more credible.

KEY QUOTES

Unleashing Originality at Work and at Home

Nurturing Originality in Children

Research shows that "laterborns" have a higher tendency to take risks due to sibling rivalry and parenting style. By adjusting how discipline is enforced, parents and teachers can influence how kids respond to rules and exercise originality.

Focus on values over rules. Parents of highly creative children tend to impose fewer rules and explain decisions based on principles and values like morality, respect, or perseverance.

- When children **understand the rationale** behind the rules, they're more likely to follow and internalize them. They're also more likely to develop empathy and be aware of the consequences of their actions.

- Be flexible if your children *challenge inconsistencies* in your rules and decisions; don't insist that they follow the rules blindly.

Role-modeling is a vital part of a child's development.

- Nurture creativity by exposing your children to *various role models*, such real-life stories of Originals, or even fictional characters who follow unconventional paths.

- Get your children to *consider different perspectives* by examining asking questions like, "what would this Original do in a situation like this?" or "how would things have turned out differently if he/she had grown up in a different culture?"

Reinforce good behaviors by associating them with good character. When children are praised for their character (e.g. being generous or kind), they are more likely to internalize it as part of their identity.

KEY QUOTES

"Reasoning does create a paradox: it leads both to more rule following and more rebelliousness."

"Role models have a foundational impact on how children grow up to express their originality."

"Character praise leaves a lasting imprint when identities are forming."

Cultivating Originality at the Workplace

One of the biggest enemies of originality is groupthink, i.e. the tendency to follow the majority instead of embracing diversity.

Build a **culture that promotes diversity** and creativity.

- *Bridgewater*—which handles some $170bil of investments—has a strong culture built on the principle that people must think for themselves. The commitment to think differently has allowed the company to identify trends and opportunities that no one else in the market has considered, and to avoid following erroneous market sentiments. Employees are expected to share their concerns and critiques of one another (including the leaders), and may even be fired for not speaking up.

- When hiring new staff, consider their *cultural contribution*, i.e. whether the staff adds to the diversity in backgrounds, skill sets, and personality traits. Conduct *entry interviews* to get new hires' suggestions, rather than do exit interviews only when people are leaving. Find creative ways to widen

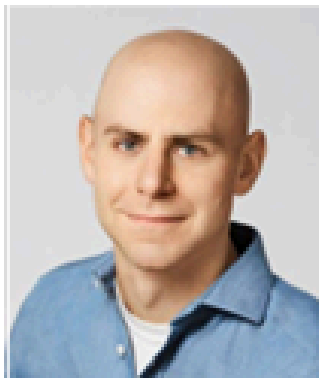
"If you're going to build a strong culture, it's paramount to make diversity one of your core values."

"The greatest shapers don't stop at introducing originality into the world. They create cultures that unleash originality in others."

parents and teachers. In this summary, we've outlined several key examples and distilled the main insights and actionable tips.

For more resources, details and a free assessment of your originality, please visit www.adamgrant.net

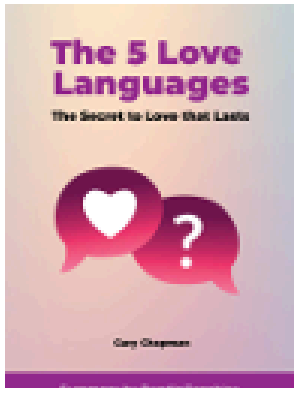
About the Author



Adam M. Grant (born 1981) is an American author and a professor at the Wharton School of the University of Pennsylvania. He received a B.A. from Harvard College, and M.S. and Ph.D. degrees from the University of Michigan in organizational psychology. At the age of 28, Grant became the youngest tenured professor in Wharton School's history.

In 2015, Grant was named a World Economic Forum Young Global Leader and a Thinkers50 Most Influential Global Management Thinker. He was also named to Fortune's 40 under 40 in 2016,

KEY QUOTES



THE 5 LOVE LANGUAGES

The Secret to Love that Lasts

Gary Chapman

The Big "So What"

Many marriages fail not because couples don't put in the effort, but because they are expressing their love in the "wrong" ways. When you learn to understand and speak your spouse's love language, you will be able to effectively express your love and truly feel loved in return.

Introduction

DIFFERENT LOVE LANGUAGES

Like linguistics in communication, people speak different love languages. We have our native love languages that we speak and understand best in, and our secondary language(s) that we are comfortable but less fluent at. It is possible for couples to love each other, but to feel unloved because they give and receive love differently, i.e. they don't share the same primary emotional love language. After 30 years of marriage counselling, Chapman concluded that there are 5 key emotional love languages, though there are many "dialects" within these 5 languages.

FILLING THE LOVE TANK

All of us have an "emotional love tank". When we receive love in our primary love language, our love tank is filled and we feel loved. When we don't receive love expressed in our primary love language, our love tank gradually depletes and we feel unloved. When our love tank is empty, issues is the relationship arise.

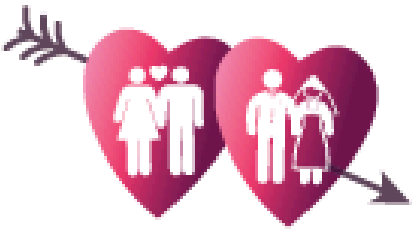
KEY QUOTES

"We must be willing to learn our spouse's primary love language if we are to be effective communicators of love."

"Once you identify and learn to speak your spouse's primary love language, I believe that you will have discovered the key to a long-lasting, loving marriage."

"At the heart of mankind's existence is the desire to be intimate and to be loved by another. Marriage is designed to meet that need for intimacy and love."

FALLING IN LOVE



When we fall in love, we feel euphoric. We have the illusion that our partners are perfect and that the romantic feelings in our relationship will last forever. During this in-love period, we feel altruistic toward each other. We give freely because we believe our lover feels the same about us, & are equally committed to meet our needs.

Long-range studies show that the in-love phenomenon typically lasts about 2 years (or longer if it is a secret love affair). When the phase eventually passes, we start to assert ourselves, and we stop doing many of the altruistic things for our partners. Our differences start to surface, and our partners' imperfections start to become irritating or annoying. As the love tanks start to deplete, relationship issues start to surface.

To have a lasting relationship, it is important to recognize that the emotional high of the in-love experience is only temporary in nature. After the phase has run its course, we need to make a conscious shift to "real love". Unlike the in-love stage, real love involves :

- A **conscious choice** or an act of will to love the other person;
- **Effort & discipline** to understand and give love to the other person (not merely driven by the euphoria of being "in love"); and
- A focus on **growth and development** of yourself and your partner (unlike the "in love" phase when we simply see the other party as perfect and hope they will stay that way).

We can choose to learn and speak our spouses' primary love language. When their love tanks are full, they are in a better position to reciprocate your love, and are free to grow to their full potential.

Love Language #1: Words of Affirmation

Words of affirmation are words that build someone up. If this is your primary love language, it means the world to you when you receive unsolicited compliments, hear the words "I love you" and the reasons behind that love. Insults can break your heart and leave lasting scars.

KEY QUOTES

"(Real love) is emotional in nature but not obsessional. It is a love that unites reason and emotion. It involves an act of the will and requires discipline, and it recognizes the need for personal growth."

"The in-love experience does not focus on our own growth nor on the growth and development of the other person…We are at the apex of life's happiness, and our only desire is to stay there."

"When we receive affirming words we are far more likely to be motivated to reciprocate and do something our spouse desires."

Verbal compliments

Sincere compliments can help your spouse to feel valued and appreciated: e.g. "You look beautiful today", "You look great in that suit," "I really love your cooking."

Encouraging Words

Your spouse may have areas of insecurity or untapped potential. Your words of encouragement inspire courage, and can be an important catalyst to help your spouse to take action to develop his/ her full potential. These could include:

- **Kind Words**, expressed with a loving tone of voice. This includes making a commitment to forgive each other for our past mistakes, and living each day free from the failures of yesterday.
- **Humble Words**, i.e. making humble requests, not demands, of each other. Recognize that we are equal, adult partners in marriage – when we make requests of our spouse, we affirm them of their abilities and their worth to us; when we make demands, we are belittling them.
- **Other Dialects** e.g.
  - Indirect words of affirmation: Praising your spouse when he/she is not around, or praising your spouse in front of others;
  - Sharing the credit for your accomplishments with your spouse; and
  - Written words of affirmation.

Love Language #2: Quality Time

If this is your primary language, you value doing things together & receiving full, undivided attention from your spouse, including sharing quality conversations and activities. Distractions, postponed dates, or not being listened to can be especially hurtful to you.

Quality conversations

Quality conversations involves sharing experiences, thoughts, feelings, desires etc. in a friendly and uninterrupted way.

- **Listen sympathetically and wholeheartedly**. To be a better listener:

KEY QUOTES

"Encouragement requires empathy and seeing the world from your spouse's perspective. We must first learn what is important to our spouse."

"Love doesn't keep a score of wrongs. Love doesn't bring up past failures....Forgiveness is the way of love."

"If we are to develop an intimate relationship, we need to know each other's desires. If we wish to love each other, we need to know what the other person wants."

- *Give your full attention*: Maintain eye contact, and focus on listening (don't do anything else during the conversation)
- Have a true desire to understand your spouse's thoughts, feelings and desires: *Listen for feelings, observe body language, and seek clarification if necessary*, to know what he/she is really thinking and feeling

- *Refuse to interrupt*

- **Learn to talk**: Self-revelation is not easy for many of us who grew up in homes where we are discouraged from expressing our thoughts and feelings (especially negative ones). We may have grown to deny our feelings over time.
  - *Learn to express your feelings*. Start by writing down your feelings associated with events away from home e.g. "no promotion – disappointed", "long queue – frustrated". Communicate these events and feelings briefly with your spouse, until you start to feel comfortable discussing your emotions about events within the home too.
  - *Establish new patterns of sharing*. Our natural inclination to share/ not share may be influenced by our personality types, but everyone can learn new communication patterns. To learn new patterns of sharing, set a daily sharing time in which each person will talk about 3 things that happened in the day and how you feel about them.

Quality activities

This can include anything in which either or both party has an interest in. The activity itself is less important than the objective of expressing love by being together. This may involve giving up some of your individual activities, but will go a long way to fill your spouse's love tank.

Love Language #3: Receiving Gifts

Gifts are visual symbols of love. If this is your primary language, you deeply treasure a gift or gesture that shows you are being thought of, cared for, and prized above whatever was sacrificed to bring you the gift. You feel hurt by the absence of daily gestures, a missed birthday, anniversary, or a hasty/ thoughtless gift.

KEY QUOTES

"If your spouse's primary love language is receiving gifts, you can become a proficient gift giver. In fact, it is one of the easiest love languages to learn."

Gifts can be purchased, found or made, and the value is often less important than the significance of the gift. If you are not intuitive at giving gifts but your spouse's primary language is receiving gifts, you can start by making a list of all the gifts that your spouse has been excited about – this will give you an idea of what gifts he/she appreciates.

Gifts and Money

If you have a saving and investing mentality, you may feel reluctant to spend money on gifts. Learn to view it as an investment in your spouse and relationship.

The Gift of Self

The gift of self (or the gift of physical presence) becomes especially critical in times of crisis if your spouses' primary love language is receiving gifts. If you are on the receiving end and want your spouse to be present physically, verbalize it rather than expect your spouse to read your mind.

KEY QUOTES

"Physical presence in the time of crisis is the most powerful gift you can give if your spouse's primary love language is receiving gifts."

Love Language #4: Acts of Service

If this is your primary love language, you feel loved when your spouse says "let me do that for you", and helps to ease your burdens or share your responsibilities e.g. cooking a meal, washing the car. Broken commitments, unwillingness to help, laziness/sloppiness, or taking your spouse for granted, all send the message that your spouse doesn't matter.

Even if you and your spouse share the same primary love language of Acts of Service, you make speak **different "dialects"** or value different types of support being rendered. Try asking your spouse to list down the tasks that he/she considers most important, and do them.

We should remember that our **perspectives and stereotypes** of male and female roles in society/the household may not be shared by our spouse. Hence, it's always better to make requests than demands. No spouse should ever feel compelled to do something for the other due to guilt or fear.

"Requests give direction to love, but demands stop the flow of love."

"Learning the love language of acts of service will require some of us to reexamine our stereotypes of the roles of husbands and wives."

Love Language #5: Physical Touch

Physical touch can bring a sense of security and connection to any relationship. If this is your primary love language, you crave shows of care and love through thoughtful touches, hugs, kisses, pats on the back, and/or sexual intercourse. Neglect or abuse can cause serious damage and hurt to you emotionally.

Dialects in Physical Touch

Like other love languages, there are **different dialects** in physical touch, such as loving touches on the arm/back/shoulders, a back rub, sexual foreplay and intercourse, sitting closely on the couch, holding hands etc.

Get feedback from your spouse to find out which what he/she finds loving and pleasurable. Even if you share the same love language of physical touch, don't assume he/she speaks the same dialect as you.

While **physical abuse** is inappropriate for any society or love language, it has an amplified impact for someone whose primary love language is physical touch. For example, a slap in the face or a spouse's infidelity can cause massive damage emotionally especially to someone whose love is expressed by physical touch.

If your spouse's primary love language is physical touch, holding him/her when he/she is crying or during crises is extremely powerful. On the contrary, the failure to touch could communicate indifference and leave a deep scar.

Discovering your Primary Love Language

To discover your primary love language, ask yourself:

- What makes you feel most loved by your spouse? What do you desire the most from your spouse?
- What does your spouse fail to do or say that hurts you deeply or brings you deepest pain?
- What do you do to express love to your spouse? [You tend to do what you wish he/she would do for you]

KEY QUOTES

"Physical touch can make or break a relationship. It can communicate hate or love."

"If your spouse's primary love language is physical touch, nothing is more important than holding her as she cries."

"Love doesn't erase the past, but it makes the future different. When we choose active expressions of love in the primary love language of our spouse, we create an emotional climate where we can deal with our past conflicts and failures."

The "Tank Check Game"

Use this game to develop your understanding of and stimulate the love expressions in your relationship:

- Write down what you think is your primary love language, then list the other 4 in order of importance. Also write down what you think is the primary love language of your spouse. Sit down and discuss your lists.
- For 3 times a week for 3 weeks, do a "Tank Check":
  - Ask "On a scale of 0-10, how is your love tank tonight?"
  - Then ask "What could I do to help fill it?" and do what your spouse requests to the best of your ability.
  - The top requests are likely to cluster around your primary love language.

Love is a Choice

We all come down from the emotional high of the in-love experience at some point. Most marriages fail because people have not learnt or chosen to speak the primary love language of the other party. With the love tank empty for some time, people start to fall in love with someone else.

Making a conscious choice and a deliberate effort to speak our spouse's primary love language may not come naturally for us. But it helps to keep his/her love tank full, and chances are that he/she will reciprocate and speak our language.

Love gives us the security, sense of significance & self-worth, and energy to develop our potential.

Turning things around

If you and your spouse's love tank have been empty for very long and you want a "miracle" to turn things around, consider this approach:

- Tell your spouse that you have been thinking about your marriage and want to do a better job of meeting his/her needs.
- Ask for suggestions on how you could improve, and be open to the feedback.
- If he/she has no suggestions, guess the primary love language based on the things he/she has been complaining about.
- Focus on speaking that love language for 6 months, and ask

KEY QUOTES

"When your spouse's emotional love tank is full and he feels secure in your love, the whole world looks bright and your spouse will move out to reach his highest potential in life."

"True love always liberates."

for feedback at the end of each month.

- Each time your spouse indicates he or she is seeing improvement, wait for 1 week before making a specific request of what you'd like him/her to do for you.

Love Languages and Children

The 5 love languages apply to children too. When children are little, we should pour all 5 love languages on them. As they grow up, observe their behaviours to learn their primary language.

- **Words of Affirmation**: We usually lavish young children with loving words and praises, but start to make demands and criticisms as they grow older. For a child whose primary love language is words of affirmation, such negative words could leave a long-lasting impact on their sense of self-worth and self-esteem. Instead, commend them for their successes and achievements.
- **Quality Time**: If your children's primary language is quality time, it is especially important for you get involved in their areas of interest and give them undivided attention in their younger years. Otherwise they will probably not allow you to spend time with them in their adolescent years.
- **Receiving Gifts**: If your child's primary love language is receiving gifts, he/she is likely to take care of the gifts, display them prominently, and play with them often. Observe what they value most and express your love through those gifts.
- **Acts of Service**: If your child often expresses appreciation for small acts of service that you do for him/her, and he/ she consistently offers to help you with projects and tasks, this is likely to be the primary language.
- **Physical Touch**: It is natural to hold and hug young children. As they grow up, don't withdraw such acts of affection. Remember that physical punishments can be especially hurtful emotionally to children with this love language.

KEY QUOTES

"Observe your children. Watch how they express love to others. That is a clue to their love language."

Other Useful Details in the Book to Look Out For

Chapman used many real-life examples from his own marriage, and of couples that he had counselled across the years, to illustrate the concepts in his book and how they can be applied to address different marriage/relationship issues and circumstances. These case studies help us to identify similarities and lessons for our own relationships.

In the book, he also offers 2 pages of additional ideas and suggestions for each of the 5 love languages, as well as separate love language profile surveys for husbands and wives (to identify your primary love language). More resources, including free online profiling surveys, are available at the official website.

About the Author

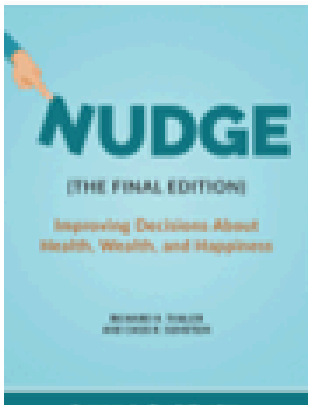
Dr Gary Demonte Chapman (born 1938) is an author and relationship counsellor. He is the director of Marriage and Family Life Consultants, Inc, and also hosts radio programs about marriage and relationships, airing on more than 400 stations. He speaks to thousands of couples through his weekend marriage conferences. He currently live in Winston-Salem, North Carolina, where he serves as senior associate pastor at Calvary Baptist Church.

Dr. Chapman holds BA and MA degrees in anthropology from Wheaton College and Wake Forest University, respectively, MRE and PhD degrees from Southwestern Baptist Theological Seminary, and has completed postgraduate work at the University of North Carolina and Duke University.

With the success of his first book *The Five Love Languages: How to Express Heartfelt Commitment to Your Mate*, he has expanded his *Five Love Languages* series to reach out specifically to singles, men, and parents of teens and young children. He also

READINGGRAPHICS
Ideas Come Alive

KEY QUOTES



NUDGE (The Final Edition)

Improving Decisions About
Health, Wealth, and Happiness

RICHARD H. THALER AND CASS R. SUNSTEIN

The Big "So What"

Our behaviors can be influenced by seemingly small but insignificant nudges. This book explains key behavioral economics principles and how nudges can be used to address a range of outcomes at individual, national and global levels.

Introduction

First published in 2008, *Nudge* popularized the concept of using behavioral sciences in public policy and managerial practices. This Final Edition includes additional materials, updated examples, and recommendations for policy-makers to design systems that can generate an even more positive impact. In this summary, we've distilled and organized the key insights into 3 main parts:

- Behavioral economics, choice architecture and nudges
- Nudges to improve financial well-being
- Nudges to serve the wider good

Part 1: Behavioral Economics, Choice Architecture and Nudges

Key Behavioral Economics Concepts

Traditional economics assumes that humans are rational beings who make optimal decisions to maximize their utility. In reality, humans frequently make poor decisions due to cognitive flaws, emotional impulses, lack of information or self-control.

KEY QUOTES

"Apparently insignificant details can have major impacts on people's behavior."

"People are...nudge-able. Their choices, even in life's most important decisions, are influenced in ways that would not be anticipated in a standard economic framework."

Behavioral Economics blends economics and psychology to help us understand why people behave the way they do in the real world.

Renowned economist and psychologist Daniel Kahneman explained that we think using 2 cognitive systems:

- The *Automatic System* is fast, instinctive, effortless, and associative. It allows us to make countless decisions daily without conscious thought.
- The *Reflective System* is slow, deliberate, effortful, and deductive. This is the conscious, deliberate process that we associate with "thinking".

Our brain uses a range of heuristics or mental shortcuts to make decisions quickly. However, they also lead to biases and blunders. Key heuristics include:

- *Anchoring*: We rely on an existing piece of information (an "anchor") to gauge something else. When college students were asked "How happy are you?" followed by "How often are you dating?", the correlation between the answers was low. However, the correlation increased when the question sequence was reversed, i.e. the students' perceived happiness became tied to their dating frequency.
- *Availability*: We over-estimate things that we've experienced personally, or things that are recent and vivid.
  (i) For example, you'll likely overestimate the risks of nuclear power accidents and underestimate the risk of strokes.
  (ii) You can encourage caution by reminding people of a similar incident where things went wrong. To increase confidence, remind them of a similar incident where things went well.
- *Representativeness*: To assess if A is similar to B (or if is A is part of category B), we think in terms of our stereotype of category B.
- We tend to be *overconfident and overly optimistic*. 90% of drivers and 94% of professors think they're above-average. Most entrepreneurs also overestimate their chances of business success.

KEY QUOTES

- *Loss-aversion*: You're likely to be 2x more upset at the prospect of losing something, compared to the joy of gaining the same thing.

  (i) In a study, students were given a mug then asked to sell it. They quoted 2x the price compared to other students who were simply asked how much they would pay to buy a mug.

  (ii) You're more likely to switch to a new payment plan if you're told "You'll lose $500 a year if you don't switch" than "You'll save $500 a year if you switch.

- We favor the *status quo* due to loss aversion and a lack of attention. Once you subscribe to a magazine or start watching a TV series, you're like to continue.

We also make bad decisions due to a lack of self-control, i.e. we give in to temptation and mindlessness. You may want to go for a run but end up watching TV.

- One of the best ways to *resist temptation* is to take preventive action when you're in a low state of arousal, e.g. lock up the TV control in an inaccessible drawer. That way, you use your Reflective System to counter your Automatic System.

Our decisions are strongly affected by social influences:

- We tend to *conform* to group norms because of peer pressure and explicit/implied information about what's good for us (or what we should do).

  (i) Various studies found that 20-40% of participants will choose an obviously-wrong answer if everyone else in the room does so. They conform because they think that (a) if everyone agrees on something then it's probably right, and (b) others may disapprove if they give a different answer.

  (ii) Conformity is the highest in small groups where responses are made public. It drops significantly if people can respond anonymously. We're more likely to conform if others appear confident or authoritative.

- We're also *influenced by others' choices*, e.g. we may eat the same types of food as our friends, or buy products with the highest reviews. One person's opinion can influence the

KEY QUOTES

"Unrealistic optimism is a pervasive feature of human life."

"People do not assign specific values to objects; it often matters whether they are selling or buying."

"Exploitation of behavioral biases can be a winning strategy."

"Once a practice (like wearing ties) has become established, it is likely to be perpetuated, even if there is no particular basis for it."

the next person's opinion and so on, until the whole group expresses the same view. This is known as an "informational cascade."

- *Identity*: We may adopt behaviors of people we identify with (e.g. similar religion, ethnicity, or nationality), and avoid behaviors of people we don't identify with.

  (i) India successfully promoted public health by highlighting Mahatma Gandhi's commitment to cleanliness.

  (ii) Participants in a study were grouped based on their identification with Democrats vs Republicans. Some were asked to independently indicate their views on issues, while others were told the opposing party's views before being asked for their views. The 2nd group invariably chose the opposite viewpoint from their adversaries'.

- We may follow a practice or tradition just because we wrongly believe that's what our community wants. This is called *pluralistic ignorance*. Once someone starts to speak up against the practice, others may feel empowered to speak up too.

- In short, humans naturally make mistakes and bad decisions. It's possible to use *nudges* to help people make better decisions while retaining their freedom of choice. A nudge refers to anything that shifts people's behavior in a predictable way, without the use of drastic disincentives (e.g. fines or bans). For example, you can nudge students to eat healthier foods just by changing the layout of the stalls in a cafeteria.

Libertarian Paternalism

The question is: which direction should you nudge people toward? The authors propose Libertarian Paternalism as the ideal approach.

- It combines *libertarianism* (giving the freedom of choice) and *paternalism* (influencing people to act in ways that make their lives better, as defined by them). In short, you're helping people to make the choices they would've made if they had perfect information, attention, self-control, and no biases.

KEY QUOTES

"If people wrongly think that most people are committed to a long-standing social norm, a small nudge correcting that misperception can inaugurate large-scale change."

- The *golden rule* is to offer nudges which are the most likely to help and the least likely to inflict harm.

Most critics of Libertarian Paternalism are Libertarians (who prefer to maximize choice and freedom) or Paternalists (who believe in setting limits for people's own good). In the book, the authors use various studies and examples to lay out 3 fundamental concepts:

- *There's no such thing as a "neutral" design*. Everything—from a website to an office layout—has a design that nudges people in some way.

- *More choices may not mean better outcomes* since we don't always choose wisely. At times, we also prefer *not* to choose, e.g. when we ask for recommendations at a restaurant.

- *Paternalism ≠ coercion*. Nudges are about influencing behaviors without harsh laws or prohibitions.

Nudges are the most useful in these situations:

- Choices that require *memory*. All of us space out or forget things. Shopping lists, to-do lists, calendar apps, and checklists are all useful nudges/tools to help us remember what's important.

- *Choices with delayed effects*. It's harder to exert self-control if the consequences occur much later, e.g. binge-eating or smoking.

- The more you do something, the easier and more automatic it becomes. Thus, you're more likely to need help with choices that are *difficult or infrequent*.

- To learn effectively, you need clear and immediate feedback. It's hard to make good choices if there's *poor feedback*, or if you can't imagine the outcome from a decision. For instance, you may not see how a high-fat meal may lead to a heart attack, or imagine what a foreign dish may taste like.

Nudges can be used by both government and private institutions, though they're the most impactful in public policies and regulations.

KEY QUOTES

"Whenever we engage in directional nudging, we should be confident that we are likely to make people better off, as judged by them."

"Difficult and rare choices are good candidates for nudges."

Tools for Choice Architects

Great design should appeal to our Automatic System. You'll intuitively push a door with a flat plate, but pull the door if there's a protruding handle (even if the sign says "push"). Or, you'll probably stop if you see a red sign that says "go".

Defaults are one of the best forms of nudges.

- Make the desired steps *easy and effortless*. People naturally choose the option that requires the least effort, then stick to the status quo. However, if they clearly dislike the default, they'll still take steps to change it.

- We're surrounded by defaults that make our lives better and safer, such as timed screensavers on our computers, or chainsaws that switch off automatically when they're not in use. You can use *2 types of defaults*:

  (i) *Prompted choice*: Default settings with an opt-out option

  (ii) *Active choice*: Forcing people to make an explicit choice.

- *Cater for expected errors*. For example, automobiles come with reminders to buckle your seatbelt and warnings when you drift out of your lane. The nozzles for diesel fuel are designed to be too big for the fuel tanks of gasoline cars.

Give feedback to show if things are going right or wrong, e.g. an alert when the battery level is low, or a progress bar that shows the level of completion.

Use maps to show the relationship between people's current choices and long-term welfare, so they can make better decisions.

It's easy to choose between few simple options (e.g. ice-cream flavors), but hard to compare complex options (e.g. medical treatments or retirement plans). To simplify complex choices:

- Use *self-nudges* or snudges, e.g. limit the amount of junk food at home, or program your laptop to block emails at certain hours.

- Use *filters* (e.g. setting a maximum budget or distance) to eliminate unsuitable options.

KEY QUOTES

"Design is not just what it looks like and feels like. Design is how it works."
—Steve Jobs

"Choice architects can make major improvements to the lives of others by designing user-friendly environments."

"For most of us, life can be improved via well-chosen snudges."

Prices and incentives both affect decision-making.

- When designing incentives, consider *4 questions*: (i) Who chooses? (ii) Who uses? (iii) Who pays? and (iv) Who profits? When the answers for the first 3 questions are the same, markets can work relatively well so long as people have enough information and can use them objectively. The situation gets complex when multiple stakeholders are involved. For example, the U.S. has one of the most expensive healthcare systems because patient services are often chosen by the physician, paid for by the company or government, and the revenue is shared among various suppliers and workers.

- In general, people consume less when prices go up. However, we may not notice price increases (especially if someone else is paying), opportunity costs or hidden/indirect costs. By *making gains and losses visible*, you can facilitate better choices.

Smart disclosures mean providing complex information in a standardized, machine-readable format so it's easier for users to compare options.

- Use *standardized units of measurement* for meaningful comparisons.

- If there are multiple metrics or a non-linear relationship between metrics and outcomes, mandate *standard contracts* where:

  (i) The *default terms* in fine print are standardized (e.g. deposit amounts and termination terms for housing rent); and

  (ii) Any *deviations* must be stated clearly in the main contract.

- Make the disclosures *machine-readable* so choice engines (like Expedia or Kayak) can be developed to help users compare options easily.

- *Let customers own their usage data*. Any organization that tracks users' purchase or consumption patterns should also make the data available to the users. For example, energy suppliers in the UK must now provide customers with usage data in a machine-readable format. By scanning their bills, customers can see a list of energy deals that suit their usage habits.

KEY QUOTES

"It is not only possible to design choice architecture to make people better off; in many cases, it is easy to do so."

Social influences can be powerful nudges.

- You can shift perceptions just by *sharing truthful information* about what others are thinking or doing. In Saudi Arabia, husbands can decide whether their wives are allowed to work outside the home. In a private poll, economist Leonardo Bursztyn found that many young men were in favor of female participation in the workforce, but kept silent as they thought others were against it. Once they knew about other men's true opinions, they became more likely to authorize their wives to work.

- For many years, *same-sex marriage* was denied in most countries. Yet, after Netherlands acknowledged it legally in 2001, many countries followed suit within the next 2 decades. This could be due to (i) the increasing number of gays and lesbians disclosing their sexual orientation, and (ii) the cascading effect as more individuals and countries expressed their support for same-sex marriage.

You can even influence behavior by offering well-curated options or making things fun, enjoyable, exciting or mysterious. Volkswagen got more people to take the steps by converting the stairs at the Stockholm subway station into a musical instrument. Taipei used a lottery to get dog owners to deposit dog waste at a special location.

Removing Sludge

The ultimate goal of choice architecture is to make it easy for users to make good decisions. Nudges help them to do so while sludge does the opposite, creating friction to make it harder for people to get a better outcome (as defined by them).

Sludge may come from red tape or be added intentionally to deter people from certain actions. Common types of sludge include:

- Making it hard for people to cancel their *paid subscriptions*. Sludge exists so long as the methods for unsubscribing are harder (e.g. having to make a long-distance call) than the methods for subscribing (e.g. entering your credit card details online).

- Making it hard for people to redeem a *coupon or rebate*.

KEY QUOTES

"Make it fun. And if you don't know what fun is, then you are not having enough of it."

"In many cases, sludge operates as a wall, and people cannot find a way to get over it."

- *Lack of transparency*, including hidden costs/discounts. Printer manufacturers are known to sell their printers cheaply then making money from the expensive ink. Some companies also reserve discounted prices only for customers who complain or intend to leave, which is a form of discrimination via sludge.

Sludge represents real costs to users, organizations and governments. Complex processes and paperwork also block people from the assistance or support they require.

- The *U.S. tax system* is a classic example of sludge.

  (i) As of 2019, Form 1040 alone has 108 pages of instructions. The average American spends 13 hours on the 1040, and many pay professionals to prepare their tax returns. This is sharply contrasted with countries like Sweden where 80% of taxpayers can file their tax returns in minutes on their mobile phones.

  (ii) The Internal Revenue Service (IRS) can easily pre-fill the tax forms since they already have the income figures and tax benefits that people qualify for. Tax filers can then make adjustments to the pre-populated forms if necessary, saving the government and taxpayers billions of hours each year. Yet, the Congress explicitly forbade this fuss-free process due to lobbying by tax preparation companies (which were profiting from the sludge).

- Red tape can also be found in private institutions, e.g. approvals or reimbursements for *work-related expenses*. Companies that insist on choosing the lowest airfares fail to consider the costs of inconvenient flight hours and schedule inflexibility.

There are many ways to de-sludge. For instance, the University of Texas removed the need for unnecessary paperwork by automatically admitting all students in the top 6% of their high school class. Start by reducing the sludge that you create for yourself and others. If people aren't doing what they should, look for sludge that can be removed.

KEY QUOTES

"The costs governments impose on their citizens via sludge are often neglected in the design and evaluation of policies."

"A sludge-reduction effort would pay big dividends."

Part 2: Nudges to Improve Financial Well-being

Saving for Retirement

It's hard to save for retirement since (i) we must evaluate complex options, (ii) we're more loss-averse than pro-gain, (iii) the rewards come much later, and (iv) we must overcome inertia. This is where choice architecture comes in.

Traditional social security plans rely on the working population to support the retired. This is no longer viable as people live longer, have fewer children, and the worker-to-retiree ratio decreases. Thus, governments have had to rethink their retirement schemes.

- In the *U.S.*, the 401(k) was created in 1978. This is a defined-contribution plan where employees can contribute to a tax-sheltered account, and employers will match 50% of employees' contributions (up to a limit). Employees can then choose how the money is to be used toward their retirement.

- The *UK* created the National Employment Savings Trust (NEST) in 2008. All employers who don't offer a retirement plan must automatically enroll their employees into NEST (with an option to opt out). Both employers and employees make contributions and can choose from a range of investment options.

- *Sweden* has a mandatory social security tax, and part of this tax was set aside for a pension plan since 2000. Participants can choose up to 5 funds from a list of approved funds. A default fund (AP7) is assigned for those who don't make an active choice.

We can gain many insights from the Swedish example. The plan was "pro-choice", allowing any fund that met fiduciary standards to be added to the approved list. When the plan was first launched, the government advertised heavily to encourage people to choose their own portfolio. Funds were also allowed to advertise.

- The massive government and private-sector advertising worked. Two-thirds of the initial 4.4 mil participants became

KEY QUOTES

"We don't expect people to be their own physicians; why should we require them to make other complex decisions if there are trusted experts who can do it better, and on whom they can freely choose to rely?"

Active Choosers, i.e. they chose their own portfolio. The rest accepted the default fund. However, once the ads stopped, the proportion of new Active Choosers also fell rapidly, dropping to 9% in 2003, 3% in 2010, and less than 1% in recent years.

- Unfortunately, *more choices* did not lead to better outcomes.

  (i) There were hundreds of approved funds (>900 at one point), making it *overwhelming* for investors to compare the options.

  (ii) Most Active Choosers *didn't choose wisely*. Private sector ads were influencing people to buy portfolios with higher risks, higher fees and lower expected returns. 96% of Active Choosers ended up investing more heavily in stocks, putting almost half their money in Swedish companies, and paying more than 4x higher fees than the default fund.

- Default rules/options can be very sticky when people are in autopilot mode, and the system showed *inertia* at several levels.

  (i) After choosing their initial portfolio, most participants didn't *update their portfolios*. Even when one of the funds was investigated for fraud and investors had the option to shift their money out at no cost, only a small proportion did so.

  (ii) After a major change in 2010, the default fund became *much riskier*, yet few investors took up the option to switch funds for free.

  (iii) Despite the sub-optimal outcomes, policymakers *didn't fundamentally rethink* the plan's structure. They merely reduced the number of approved funds to <500.

- The authors recommend the following *improvements*:

  (i) Drastically *reduce the number of funds* to simplify choice.

  (ii) Encourage investors to *start over* once in a while so they can reconsider bad choices made in the past. Concurrently choose a default option for people who won't do the "reset".

KEY QUOTES

"In outer space, an object that has been nudged will keep going in that direction until it is nudged again."

"Just as you should regularly reboot your computer, we think it is healthy for investors to be encouraged occasionally...just to start over."

(iii) Do *not* allow default funds to be leveraged (i.e. borrow to buy stocks). This increases the investment risks and should be explicitly opted-in, not set as a default.

When it comes to nudges for retirement savings, governments should consider 3 aspects:

- To *increase enrollment*, consider using defaults to automatically enroll employees into retirement plans (with opt-out options), instead of asking them to opt in.
- A good plan should help people to achieve a *higher saving rate*. One solution is to get participants to increase their contributions automatically, e.g. increase by 1% per year or when their salaries increase.
- *Improve investment returns* while ensuring the default savings plan is relatively low-risk, such as a balanced fund with a mix of stocks and bonds.

Managing Debt

With easily-available credit, it's tempting to spend more than we have. The U.S. alone has >$1 trillion in credit card debt and >$15 trillion in mortgage loans.

It's ok to use credit cards so long as you pay the full bill each month. Otherwise, the outstanding payments can compound into huge debts.

- To *protect consumers*, governments can:

  (i) Mandate *proper disclosures*, including the consequences of making only minimum payments. Get all credit card fees and rules listed in an online database for easy comparison.

  (ii) Regulate the use of *overdraft arrangements* which allow people to borrow money automatically at high interest rates.

Mortgages are also fine if you pay your regular instalments.

- Unfortunately, mortgages come with *complex options* such as fixed vs variable interest rates, extra fees and penalties. Consumers may get lured in by "teaser" rates that increase dramatically after 1-2 years.

KEY QUOTES

"Every country should be thinking hard about how to identify [a system] that suits the needs of its citizens."

"Choosing is more important for mortgages, but using is more important for credit cards."

- Customers may also be exploited by *unscrupulous advisors* who recommend mortgage options with higher commissions (instead of what's in the clients' interest).

- Governments can *protect consumers* with any of these 3 options:

  (i) Mandate mortgage providers to make fees and costs *transparent*, e.g. summarize the costs on 1 page and combine them into a single interest rate for easy comparison.

  (ii) Have a few types of *standard mortgage contracts* (e.g. fixed vs variable rates, for 15 or 30 years each), with standard fine prints for each type of contract. All harmful practices (e.g. easer rates) should be highlighted or banned.

  (iii) Create an *online database* where borrowers can get mortgage recommendations based on their profile and parameters.

KEY QUOTES

"A market for advice does not guarantee that the advice will be good."

Insuring What Matters

The ultimate goal of insurance is to protect against financial ruin from rare but major disasters, such as critical illnesses or a fire destroying your home.

- People often make *sub-optimal decisions*, e.g. paying $10 extended warranty for a $100 toaster, or choosing lower deductibles with higher premiums. When a company allowed employees to customize their own healthcare programs, people ended up paying 28% more for the same coverage.

- As a rule of thumb for insurance, go for the *largest available deductible* since these will give the biggest savings in premiums.

Research shows that patients who must pay for some or all of their medications end up cutting back on all types of drugs—including the life-saving ones. By saving money on prescribed medications in the short-term, they end up incurring higher costs in long-term medical emergencies. So, encourage

employees (especially low-income earners) to take up high-deductible plans instead of trying to get them to share the medical costs.

Part 3: Nudges for the Wider Good

Organ Donations

Eric Johnson and Dan Goldstein found that organ donation consent rates were significantly higher (97.6% on average) in countries where it was the default option, compared to countries where people had to opt in (15.2% on average). However, the authors believe that default opt-ins are not the ideal solution for organ donations.

- That's because there are *3 groups of stakeholders*: (i) Patients who need (or will need) an organ to live, (ii) Potential Donors who're close to death and can choose to donate their organs, and (iii) Families of Potential Donors who've died.

- While the primary *goal* of organ donation is to save more Patient lives, it's also important to respect the rights and preferences of Potential Donors and their Families.

There are several possible approaches to organ donation:

- *Routine removal* means the state can remove the organs of someone who's dead without asking for permission. Yet, of the 50 countries studied, none did so (probably due to the sensitivity of the issue).

- *Presumed consent* means you assume that people agree to donate their organs unless they explicitly opt-out. However, this only makes sense if people are aware of the policy and there's minimal sludge to opting out. In most cases, Families are still consulted on whether to honor the deceased's wishes—this is cruel as the families are coping with their loss and may not know what the deceased wanted.

- Other options involve explicit *opt-ins*. *Explicit consent* means that you must take specific steps to opt in as a donor, while *mandated choice* means it's compulsory for everyone to choose. So far, there's no evidence that presumed consent

KEY QUOTES

"Although defaults can be a powerful tool, changing the default is not the answer to every problem."

leads to more donations than opt-ins. The authors recommend using *prompted choice* with 3 steps:

(i) Make it easy to register online (e.g. donatelife.net);

(ii) Get people to opt in willingly when you have their attention, e.g. when they're renewing their driver's license or filing their tax returns; and

(iii) Make sure their wishes are honored.

- Experiment with various ways to get people to opt in. You can also augment the system with *incentives*:

(i) In Singapore, anyone can opt out, but they'll get pushed to the bottom of the waitlist if they ever need a donor.

(ii) In Israel, donors must opt-in and the next-of-kin must still make the ultimate decision. To encourage both parties to say "yes", the regulations were changed in 2008 as follows:

- You get priority if you're registered a Potential Donor ≥3 years before you become a Patient; and
- You get even higher priority if your first-degree relatives had donated their organs when they died.

KEY QUOTES

"A primary function of prompted choice is overcoming procrastination, inertia, and limited attention."

Climate Change

Climate change is a real and complex challenge. For simplicity, the authors focused primarily on the challenge of reducing emissions. Behavioral economics help us to understand why so little has been done to date.

- *Present bias*: While we're starting to feel the effects of climate change, any action today will only bring results decades later.
- *Salience*: Pollutants like greenhouse gases are invisible (unlike dirty water or smog) and hence largely ignored.
- Climate change comes from the cumulative actions of billions of people worldwide over time. There's *no specific villain* to target, making it harder to mobilize collective action.

"If you can't even see them, you might not worry about them."

- We *can't prove* that climate change causes the increase in hurricanes, blizzards, etc. We can only show a correlation.

- Solutions to climate change involve behavioral change, which triggers *loss-aversion and status quo bias*.

- There's a *lack of feedback* between our daily actions and their impact. When you're driving your car or enjoying the aircon, you're unlikely to consider the impact of gas emissions on the environment.

- People/nations are reluctant to reduce emissions when their efforts can be negated by others who continue to increase emissions, i.e. there's a problem of *free-riding*.

Nudges alone cannot solve the climate change problem. The authors recommend an "all tools on deck" approach with a mix of regulations, incentives, penalties, and interventions.

- Generally, people are willing to contribute to a common resource if everyone else does. But, we'll stop if there's free-riding. The only way to gain cooperation is through *coordinated action* by governments around the world. The Paris Agreement (which came into effect in 2016) is a first step forward, as nations agree to determine their mutual contributions and reduce the required emissions in their own territories.

- It's crucial to provide *incentives* that're aligned with the common goal. So far, 2 approaches have been proposed:

  (i) Imposing *penalties/taxes* on those who pollute (e.g. tax on greenhouse gas emissions). This motivates polluters to adjust their practices, and generates revenue for governments to support innovations like solar energy systems or electric cars.

  (ii) A *cap-and-trade system* sets a limit for each party's level of emissions while allowing them to trade their "rights" to pollute. This allows the market to set the price for pollution. The key challenge is determining the caps to be allocated in the first place.

- *Use feedback and information* as drivers for change.

  (i) The creation of the Toxics Release Inventory in the 1980s led to a huge drop in toxic releases throughout the USA. Individuals and firms were required to report the

KEY QUOTES

potentially-hazardous chemicals they stored/released and the potential health impact. Once the data was made available online, companies were motivated to adjust their practices to avoid bad publicity. Governments worldwide can create similar *inventories* for greenhouse gases and other pollutants.

(ii) The costs of pollution may be invisible, but our petrol and utility bills are not. Use transparency to help people know much energy they're using and how it compares with others' usage. Such *information* can be easily included in the monthly bills.

"Sometimes, information can be a surprisingly strong motivator."

- *Default to green*. Governments can automatically enroll households with a green energy provider, but give them the option to switch out. They can even change the building codes to ensure all new homes/buildings are energy-efficient. The long-term cost savings will justify the higher construction costs.

"If the goal is to make it really easy, make it automatic."

KEY QUOTES

Conclusion and Other Details in the Book

In a nutshell, active choosing isn't viable in every situation, nor will it always bring the best outcomes. It's better to concurrently nudge and educate people using a mix of smart disclosures, personalized defaults, easy-to-compare options, and effective choice engines.

"Active choosing is often a good idea, but in many domains, curation and well-designed defaults are a blessing."

- Yet, nudges alone cannot solve all problems. At times, *additional incentives, mandates and bans* may be necessary to prevent direct harm to others (e.g. murder, rape, theft or assault) or to address complex issues like climate change.

- The key is to weigh the benefits for those who're helped versus the costs to those who're not. Then, evaluate if the *nett benefits* justify the new laws or mandates.

A libertarian paternalistic approach is about guiding people toward better choices as defined by them. However, choice architects are not infallible. They make mistakes, have biases and information gaps, and may not always act in the best interest of their users/clients.

"All choice architects are fallible, and some are even malicious."

- That's why it's better to nudge people in a certain direction, yet *preserve their freedom* to make the final choice. For example, you can warn consumers that a product contains food allergens without banning it. You can set a printer to do double-sided prints by default without preventing single-sided prints.

- An *ideal nudge* should work like a GPS—to recommend possible routes then let users decide whether to heed the advice. Defaults and opt-out options should be transparent and easy, not sneaky or sludgy. Apply John Rawls' publicity principle: to take only actions that you can/will defend publicly.

This book is filled with detailed examples, case studies and statistics to illustrate the complexity, nuances and applications of behavioral economics in the real world. Each of the examples in this summary are discussed at length in the book, along with additional examples including aviation security, GDPR, education and financial assistance. For more details and information, do visit the authors' blog at nudges.wordpress.com or nudges.org.

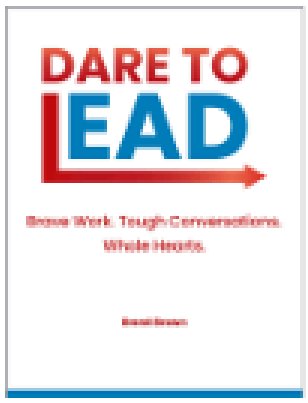
KEY QUOTES

"Nudges are generally designed to help people find the right means to their own ends."

"By properly deploying both incentives and nudges, we can improve our ability to improve people's lives, and help solve many of society's major problems. And we can do so while still insisting on everyone's freedom to choose."

About the Author

Richard H. Thaler (born 1945) is an American economist and the Charles R. Walgreen Distinguished Service Professor of Behavioral Science and Economics at the University of Chicago Booth School of Business. In 2017, he was awarded the Nobel Memorial Prize in Economic Sciences for his contributions to behavioral economics. He was the president of the American Economic Association in 2015, and was elected a member in the National Academy of Sciences in 2018. Thaler holds a B.A. degree from Case Western Reserve University, and an M.A. and Ph.D. degree from the University of Rochester.



DARE TO LEAD

Brave Work. Tough Conversations.
Whole Hearts.

BRENÉ BROWN

The Big "So What"

To succeed in a complex and fluid world, organizations need brave leaders and courageous cultures. In this book, Brown presents the 4 courage-building skill sets that can be nurtured in any individual and organization.

Brave leadership and Courageous Cultures

In any organization, the fear of failure and shame can lead people to hold back ideas, avoid risks and tough conversations. This stifles learning and creativity to hinder success in a world that demands continuous innovation.

Based on 2 decades of research and real-life experience, Brown found the **antidote to fear and shame**—brave leaders who are willing and able to face uncertainty and vulnerability head-on, and teach their teams to do the same.

- This book combines insights from Brown's previous books (including *The Gifts of Imperfection*, *Daring Greatly*, and *Rising Strong*) with her latest findings, to explain how you can become a daring leader. Specifically, there are 4 *courage-building skills* that can be learned and taught.

Skill #1: Rumbling with Vulnerability

To build courage, you must first learn to face your vulnerability.

KEY QUOTES

"Courage is a collection of four skill sets that can be taught, observed, and measured."

"What stands in the way becomes the way."
—Marcus Aurelius

- *Vulnerability* is the feeling we get when we face uncertainty and the risk of emotional hurt. A *rumble* is a conversation where people allow themselves to be vulnerable so as to serve a higher mission and one another (instead of hiding behind masks and armor to protect themselves and their self-interests).

- "*Rumbling with Vulnerability*" is at the core of daring leadership. You can't build an innovative culture without exposing yourself to risks and failures. So, it's crucial to face your fears and discomfort.

What Vulnerability Is and Isn't

Brown dispels 6 myths about vulnerability (expanded from the original 4 myths in the book *Daring Greatly*):

- *Myth #1: Vulnerability = weakness*. Vulnerability makes us anxious but it's not a sign of weakness. It takes courage to face your vulnerabilities. Real courage is about showing up even if it puts you in a vulnerable position, e.g. admitting a mistake, trying for another child after a miscarriage.

- *Myth #2: "I don't do vulnerability."* Risks and uncertainty are unavoidable. When you pretend they don't exist, it allows your fears to drive you unconsciously.

- *Myth #3: "I can go it alone."* Human beings are social creatures. We're biologically wired for connection and empathy, and you can't build meaningful relationships without vulnerability.

- *Myth #4: You can engineer away the uncertainty/ discomfort*. Unlike system vulnerability, you can't avoid or eliminate relational vulnerability. You can only learn the skills to manage it.

- *Myth #5: Trust must come before vulnerability*. Trust isn't built from big heroic acts, but small daily exchanges, e.g. paying attention to small things about each other, or showing genuine concern. Trust and vulnerability go hand-in-hand and can't be separated.

KEY QUOTES

"You can't get to courage without rumbling with vulnerability. Embrace the suck."

"The courage to be vulnerable is not about winning or losing, it's about the courage to show up when you can't predict or control the outcome."

"You can do vulnerability, or it can do you."

"We need to trust to be vulnerable, and we need to be vulnerable in order to build trust."

- *Myth #6: Vulnerability = disclosure*. Vulnerability is not the same as emotional purging or disclosing sensitive information. To rumble with vulnerability, you need to set boundaries and create psychological safety: acknowledge that problems/uncertainties exist, talk openly about the emotions surrounding those risks, listen to people's questions/concerns, and create a safe space for people to work through the issues.

The Square Squad. We need feedback to grow. Yet, we shouldn't worry about every single criticism we get. The key is to get solicit feedback only from people who truly matter, and let go of the rest.

- On a small piece of paper (1x1 inch), list down the handful of *people whose opinions truly matter*. These should be people who love you as you are (including your vulnerabilities and imperfections), and are able/willing to rumble with you.

- Keep this list (*your square squad*) with you. Take 10 mins to let them know you're grateful that they care enough to be authentic and honest with you.

Have the Courage to Serve

To serve their people, leaders must have the courage to address uncomfortable issues. In her first year of command at the Air Force, Colonel Dede Halfhill was asked a tough question—whether the pace of operations could be slowed down because the airmen were feeling tired. She knew that the real issue wasn't about physical fatigue, so she took the opportunity to share about a study that found exhaustion to be a manifestation of high levels of loneliness. This opened an honest discussion about loneliness in the Air Force and how she could best support the airmen.

- Joseph Campbell says, "The cave you fear to enter holds the treasure you seek." To get to your treasure (e.g. become a courageous leader, feeling connected, work toward exciting goals), you must *confront the fears* that stand in your way (e.g. fears of making bad decisions, being alone, or getting stuck).

KEY QUOTES

"Daring leadership is ultimately about serving other people, not ourselves. That's why we choose courage."

"The cave you fear to enter holds the treasure you seek."
—Joseph Campbell

One of the hardest things for leaders is to deal with difficult conversations (e.g. giving and receiving feedback, addressing bad behaviors or poor performance) which stir up fear, uncertainty and vulnerability.

- *It's kind to be clear and unkind to be unclear*. When you avoid difficult conversations or tell people half-truths, you're actually doing them a disservice. It's also unfair for you to hold someone accountable if you didn't set clear expectations in the first place.

- Your team members may also find it hard to bring up issues or to articulate their feelings and concerns. If you find yourself dealing with the same problematic behaviors repeatedly, it's a sign that you must dig deeper to *uncover the underlying issues*. Be patient—it may take multiple attempts before people are ready to share/talk.

Here are several tools you can use to have an open conversation and rumble with vulnerability:

- Build a *safe container* to hold your conversations. Ask your team members: "What do you need to show up and do the work?", "What will get in the way of you showing up and doing the work?" and "What does support from me/us look like?"

- Use *permission slips* to explicitly give yourself permission to feel or do something difficult (e.g. to give/receive clear feedback, stay open-minded, or ask for help). You can also apply this as a team, e.g. at the start of a meeting, go round the room and have everyone share their permission slips.

- Resist the instinct to defend your views. *Be curious* about where the other person is coming from:

  (i) Ask for clarification/elaboration with phrases like "Say more" or "Tell me more."

  (ii) Make sure you actually listen. Stop talking and don't interrupt, even during pauses in the conversation.

- Allow people to express and own their feelings, but *set clear boundaries* if their behaviors are unacceptable. For example, "I know this is a difficult conversation and we're

KEY QUOTES

"Clear is kind. Unclear is unkind."

"Leaders must either invest a reasonable amount of time attending to fears and feelings, or squander an unreasonable amount of time trying to manage ineffective and unproductive behavior."

both tired. It's ok to be angry, but it's not ok to shout and throw things."

- Call for a *time-out* if the rumble becomes unproductive, or if you need the time/space to think things through. For example, you can say, "I need some time to think about what I've heard. Can we take a lunch break and circle back in 2 hours?"

- Have the courage to *share your thoughts/feelings*. For example, Colonel Halfhill admitted that she was heart-broken to realize so many airmen were feeling lonely, and she was afraid because she didn't really know what to do. This made it easier for the airmen to open up and find solutions as a team.

Shifting from Armored Leadership to Brave Leadership

Often, leaders try to keep emotions away from the workplace, thinking that it'll make them more efficient. In reality, the opposite is true—when you lock away your heart/feelings, you also lock away the gifts of empathy and emotional literacy. This leads to disconnectedness from yourself and others, to reduce curiosity, engagement, courage and performance.

- *Wholeheartedness* is about knowing that you're whole and worthy of love/belonging despite your imperfections. Instead of trying to hide your feelings to protect yourself, wholeheartedness is about *integrating* your thoughts, feelings and actions. It's about embracing *all* aspects of yourself—both the good and the bad—that jointly make you who you are.

Specifically, Brown's research uncovered 16 types of armor that people wear at the workplace to protect themselves from the fear of failure, being judged, misunderstood or shamed.

- Learn to remove your armor and *move from armored leadership to daring leadership*:

KEY QUOTES

"The problem is that when we imprison the heart, we kill courage."

From Armored Leadership...	...to Daring Leadership
Perfectionism: Focus on appearing perfect to avoid shame, blame, or judgment.	Focus on **how to improve** (with empathy, compassion and healthy struggles).
Foreboding joy: Avoid celebrating or rejoicing to avoid disappointed.	**Practice gratitude** and celebrate milestones and victories.
Numbing: Bury yourself in activities to drown out negative feelings (but end up numbing the positive emotions too).	Confront the underlying feelings. Find ways to **gain real comfort** and renew your spirits.
Winner-vs-Loser mentality: Adopt a binary view and avoid vulnerability.	**Embrace/integrate paradoxes** (e.g. fierce *and* kind, scared *and* brave).
Pretend to be a **know-it-all** or insist on being right.	Focus on **getting things right** instead of being right.
Hide behind **cynicism/sarcasm**.	**Say what you mean**. Clearly express the goal, how to get there, and your belief in others.
Use **criticism** to deflect attention, avoid change or responsibility.	Focus on **(and reward) contribution**, not criticisms.
Exploit power over others for self-interests.	Use power to **effect change** for a wider purpose.
Hustling blindly (jump from 1 area to another or blow your own trumpet) to prove your worth.	Rumble with people: help them to leverage their unique strengths/ contributions and **collaborate**.
Lead with **compliance and control**: micro-manage and create the self-fulfilling prophecy that people can't succeed without tight supervision.	Explain the reason behind strategies, priorities and tasks. Use **TASC**: clarify who owns the Task, give Authority with accountability, give people the time, resources and clarity to Succeed, and have a Checklist of what "done" looks like.
Peg self-worth to productivity: Use work hours to measure value.	Recognize the value of **play, rest and recovery** for creativity and social-emotional skills.
Tolerate a **"fitting-in" culture** where people must suppress their true selves to be accepted.	Build **inclusive cultures** that tap on diverse views/strengths and foster authenticity.
Play up uncertainty and fear to gain control/power	Create a **safe space** for people to rumble, validate facts and manage uncertainties
Focus on **personal credit** and accolades at the expense of the team.	Focus on **helping others** to develop, shine and be rewarded.
Zigzagging: Waste time and energy by avoiding fear/conflict/discomfort.	**Address your own fears/pain**, blind spots and unproductive behaviors, and help others to do the same.
Lead from hurt: Take out fears and frustrations on others.	**Confront your vulnerability**, talk straight and take concrete action.

- Of the defensive behaviors above, the first 3—*perfectionism, foreboding joy, and numbing*—are the most common.

KEY QUOTES

"The people who count are the people who are putting themselves out there and making contributions, cheap seats be damned."

"Once everyone understands their value, we stop hustling for worthiness and lean into our gifts."

"The opposite of play is not work—the opposite of play is depression."
—Stuart Brown

"True belonging doesn't require you to change who you are; it requires you to be who you are."

"It's time to lift up our teams and help them shine."

"Daring leadership is leading from heart, not hurt."

(i) *Perfectionism* is the desire to appear perfect to protect yourself from the feelings of shame, blame, or judgment. It's not about excellence because you're focused on others' opinion instead of your own improvement. In the quest for perfection, you avoid risks and mistakes to block learning and innovation. Since perfection doesn't exist, you're basically setting yourself up for failure, which further reinforces your sense of inadequacy to form a vicious cycle.

→ Brave leaders counter this by encouraging empathy, compassion and healthy struggles. They focus on ways to improve instead of what others think of them.

(ii) *Foreboding joy*: When something joyful happens, we dare not celebrate or rejoice because we think it's too good to be true and we're afraid to get hurt/ disappointed.

→ Brave leaders celebrate milestones and victories. They practice gratitude, e.g. keep a gratitude journal, or start/end each meeting with team members sharing what they're grateful for.

(iii) *Numbing*: We tend to numb negative feelings by burying ourselves in certain activities (e.g. eating, drinking, working, shopping). Unfortunately, when you numb your negative emotions (e.g. anxiety and resentment), you'll also numb your positive emotions (e.g. joy and love).

→ Brave leaders (i) watch out for numbing behaviors, (ii) honestly confront the reasons for the underlying feelings, and (iii) find ways to gain true comfort and renew their spirits (instead of numbing themselves).

Shame and Empathy

Shame is the feeling that we're not "good enough". It's the sense that we're flawed and unworthy of love, belonging, and connection. It can surface any time, e.g. when you're caught lying or when someone calls you a loser.

- There are *3 truths* about shame. Shame is *universal*, i.e. everyone experiences it. We're all *uncomfortable* to talk

KEY QUOTES

"Perfectionism is not a way to avoid shame. Perfectionism is a function of shame."

"We cannot selectively numb emotion. If we numb the dark, we numb the light."

"Shame is universal and one of the most primitive human emotions that we experience."

about it. Yet, the more we *avoid* it, the more power it has over us.

- Shame is often confused with *guilt, embarrassment and humiliation*.

  (i) You feel *guilty* when you do something bad, whereas you feel shame when you think you're a bad person. Guilt can motivate change, while shame can be debilitating.

  (ii) You feel *humiliated* when you don't believe you deserve a bad outcome, whereas shame fills you with self-reproach.

  (iii) *Embarrassment* is more fleeting. We know that others have had similar experiences, and it doesn't define who we are.

- At the *workplace*, shame manifests in the form of perfectionism, gossip, back-stabbing, comparison, favoritism, discrimination, blame, bullying, etc. When these are used as management tools, or when bad deeds are explicitly covered up, it's a sign that shame has become pervasive in a culture.

Empathy is the opposite of shame. It's also the best antidote to shame.

- Empathy is *not* about offering sympathy, advice or trying to fix things. It's about connecting with someone's feelings, and letting them know that we're with them in their pain. Even if you haven't experienced something, you can still empathize with the *underlying emotions* behind the experience.

- You can *express empathy* with phrases like, "Me too", "I understand how you feel", or "Oh man, I feel you." It takes courage to be with someone in their darkness so they don't feel alone. However, it's important to maintain boundaries, i.e. don't take on their struggles or emotions until you get stuck with them.

- Empathy involves *5 skills*:

  (i) Skill #1: *Taking their perspective*. We can never truly see things through someone's eyes since we all have

KEY QUOTES

"The discomfort of cognitive dissonance is what drives meaningful change. Shame, however, corrodes the very part of us that believes we can change and do better."

"Empathy is not connecting to an experience, it's connecting to the emotions that underpin an experience."

"Empathy isn't about fixing, it's the brave choice to be with someone in their darkness."

"Perspective taking requires becoming the learner, not the knower."

different backgrounds and life experiences. However, we can seek to understand them as far as possible, and respect that their perspectives are true even if they differ from ours.

(ii) Skill #2: *Don't judge*. We tend to be the most judgmental in areas where we are the most vulnerable to shame.

(iii) Skills #3 and #4: *Understanding their feelings and articulating that you understand*. However, you can't empathize with others' feelings if you can't even recognize your own. You first need the emotional literacy to process and talk about your own feelings.

(iv) Skill #5: *Be mindful* to relate to those emotions without suppressing or exaggerating them.

- Beware of *6 barriers that block empathy*:

(i) Expressing sympathy, i.e. feeling bad *for* them ("Oh, you poor thing"), instead of feeling bad *with* them ("I feel your pain. I'm with you.")

(ii) Negative reaction, e.g. "Gosh, I'd just die if I were you."

(iii) Expressing disappointment, e.g. "I can't believe you'd make such a mistake."

(iv) Judging or blaming, e.g. "How could you let that happen?" or "It's all his fault. We should make him pay!"

(v) Glossing over it, e.g. "Don't worry, I'm sure it's nothing."

(vi) One-up comparison, e.g. "If you think that's bad, wait till you hear what I went through."

- One of the biggest barriers to empathy is the lack of *self-compassion*. Resist the urge to punish or shame yourself when you stumble. Treat yourself like how you'd treat someone you love.

Build shame resilience by shifting from shame to empathy. This means responding to shame with authenticity and clear values, so you emerge with even more courage, compassion, and connection.

KEY QUOTES

"It's almost impossible to process emotion when we can't identify, name, and talk about our experiences."

"Empathy is feeling with people. Sympathy is feeling for them."

"Empathy is infinite and renewable. The more you give, the more we all have."

- *Understand and recognize shame and its triggers*. That way, you're less likely to default to shame shields like (i) moving away (withdrawals, silence), (ii) moving toward (trying to please/appease others) or (iii) moving against (being aggressive, fighting shame with shame).

- *Be aware*. When we feel shame, we zoom in on our flaws and bad feelings as if there's something uniquely wrong with us. Learn to zoom out and see the fuller picture, including how our feelings are exaggerated by social influences and expectations.

- *Reach out*. Connect with others so you're reminded that shame is universal and you're not alone.

- *Speak shame*. Once you find the courage to talk about shame, it loses its power over you.

Curiosity and Grounded Confidence

Rumbling with vulnerability isn't easy. You will inevitably stumble, fail, and must constantly adjust your approach as you unlearn and relearn. However, if you stay curious and keep practicing, you'll gradually build grounded confidence to (i) uphold your values, and (ii) respond with self-awareness instead lashing out defensively.

Grounded Confidence = Rumble Skills + Curiosity + Practice

- We don't know what we don't know. To get curious about something, you must first have *some* awareness of it. Here are some useful *rumble-starters* to practice curiosity:

  (i) Tell me more.

  (ii) The story I'm making up is...

  (iii) I'm curious about...

  (iv) I'm wondering...

  (v) Help me understand...

KEY QUOTES

"Shame resilience is about moving from shame to empathy—the real antidote to shame."

"Find the courage to share our experiences and the compassion to hear others tell their stories, we force shame out of hiding and end the silence."

"We can't be curious about something we are unaware of or know nothing about."

Skill #2: Living into your Values

Often, our values drive us to do what's courageous or uncomfortable, and to pursue our beliefs even when we're surrounded by critics and cynics. "Living into your values" means to practice what you preach, i.e. to do what you believe to be the most important. This in turn requires that you (i) get clear about your values and (ii) think and act in alignment with those beliefs.

- *Name your values*. All of us have a set of core values that define who we are. These values apply in *all* aspects of our work and personal lives. Download the list of values from the Dare to Lead website, and choose just 1-2 values that are the most crucial to you. These values should meet 3 criteria: They (i) define you, (ii) reflect who you are at your best, and (iii) can guide you in hard decisions.

- *Define key supporting behaviors* for each core value. Consider: (i) 3 behaviors that support each value, (ii) 3 behaviors (which you're tempted to do) that contradict the value, and (iii) an example of a time when you were fully living into the value.

- When you're surrounded by shame, scarcity, and criticism, focus 2 things: *empathy and self-compassion*.

  (i) Empathy: Think of 1-2 people who know and support your values, and what support from them looks like.

  (ii) Self-compassion: Support yourself the way you would someone you love.

Likewise, you can "operationalize" values in organizations by identifying the observable and learnable behaviors that'd allow team members to live into their shared values.

It's especially hard to stick to our values when we're giving and receiving feedback.

- As a rule of thumb, you're ready to *give feedback* if you can:

KEY QUOTES

"Daring leaders who live into their values are never silent about hard things."

"If we can't cheer ourselves on, we shouldn't expect others to do it. If we don't make our values priorities, we can't ask others to do it for us."

"We don't fully see people until we know their values."

(i) Sit next to the other person (not across from them) and put the problem in front of you (not between you).

(ii) Ask questions, listen, and accept you don't know everything.

(iii) Thank them for their effort and recognize their strength (not just criticize or pick at their mistakes).

(iv) Acknowledge your own role in the problem, and hold them accountable without shaming or blaming.

(v) Discuss how the challenges can bring growth/ opportunity.

(vi) Model the openness and vulnerability that you expect from the other person.

- When you're *receiving feedback*, remind yourself to listen, stay open-minded, and act in accordance to your values. For example, you can use self-talk like: "I'm brave enough to listen", or "This is part of the path to mastery."

KEY QUOTES

"The ultimate goal in receiving feedback is a skillful blend of listening, integrating feedback, and reflecting it back with accountability."

Skill #3: Braving Trust

Trust is vital for meaningful relationships and team cohesion. Yet, it's hard to talk about trust—we end up zig-zagging around it or talking in vague terms that lead nowhere. To rumble about trust, you need to get specific. Use the BRAVING Inventory to break it down into 7 specific behaviors that can be explicitly addressed.

- *Boundaries*: Respect others' boundaries. Be willing to ask what's ok or not ok, and to say "no".
- *Reliability*: Do what you say you'll do—know your limitations, manage your priorities and deliver on your promises.
- *Accountability*: Own your mistakes, apologize, and make amends.
- *Vault*: Don't share things that aren't yours to share, e.g. confidential or sensitive information about others.

"Integrity is choosing courage over comfort."

- *Integrity*: Choose what's right, courageous and aligned with your values, not what's easy, fast or comfortable.

- *Nonjudgment*: Talk openly and honestly without judgment.

- *Generosity*: Give others the benefit of the doubt. Interpret their intentions, words and actions as generously as possible.

How to use the BRAVING Inventory:

- *Build/operationalize trust in teams*: Get your team members to individually list down 1-2 observable behaviors for each of the 7 elements. Then, discuss the behaviors that you'll commit to and hold one another accountable for. Remember: trust is built over many small moments, and the goal of this exercise is to help you to identify *how* to build trust as a team.

- *Develop self-trust*: Before you can trust others, you must first learn to trust yourself. Recall a past setback or disappointment and use the inventory to consider your response for each element, e.g. did you set/convey boundaries clearly and keep your promises? Give yourself a pat on the back for each trustworthy behavior, and improve where you fell short.

Skill #4: Learning to Rise

When you learn to sky-dive, the first thing you learn is how to survive a hard landing. Likewise, before you sky-dive into vulnerability, equip yourself with the skills and systems to bounce back from failures.

The Reckoning: Learn to recognize when you're emotionally hooked by something, and get curious about what's going on.

- Recognize the *symptoms* that you're "hooked", e.g. when you replay a conversation repeatedly in your head, feel intense physical/emotional sensations like knots in your stomach, anxiety, confusion, fear or pain.

- Calm down and *get curious* about what's truly happening:

KEY QUOTES

"The intention behind the BRAVING Inventory is a tool for creating the time, space, and intention to talk about trust in a way that's productive and actionable."

"We can never overestimate the relationship between self-trust and trusting others."

"We can't expect people to be brave and risk failure if they're not prepped for hard landings."

"The Learning to Rise process is about getting up from our falls, overcoming our mistakes, and facing hurt in a way that brings more wisdom and wholeheartedness into our lives."

(i) Slow down. Breathe deeply, counting to 4 for each inhale/ exhale.

(ii) Ask yourself if you have enough information to freak out, and if freaking out will help you in any way. Use phrases like: "The story I'm telling myself is…", "I make up that…."

(iii) Give yourself a permission slip to feel. Don't default to defensive behaviors, e.g. lashing out at others, suppressing or stockpiling the hurt.

The Rumble. In the absence of data, we tend to make up stories. Our "shitty first draft" (SFD) is typically full of imaginary fears.

- *Take control of your SFD*. Write down your response, including your emotions, bodily reactions, thoughts, beliefs, and actions.

- *Do a reality check*. Consider:

  (i) What you must learn about the *situation*, including the facts you have/lack and the assumptions you're making;

  (ii) What you must learn about the other *people* involved; and

  (iii) What you must learn about *yourself*, including the role you played and the underlying reasons for your response.

- When you see the *gap* between your stories and facts, you can start to take control of your stories instead of allowing them to control you.

- To rumble as a *team*, first get everyone to write down their thoughts and feelings to make the SFDs explicit. Then, define what you need to rumble about, the additional data needed, and the key lessons you've learned.

The Revolution. Ultimately, the only success that matters is what brings meaning and joy to *you*. Brown urges each of us to answer the call to courage, and support others to do the same. As the collective courage in an organization increases, so will its chances for success.

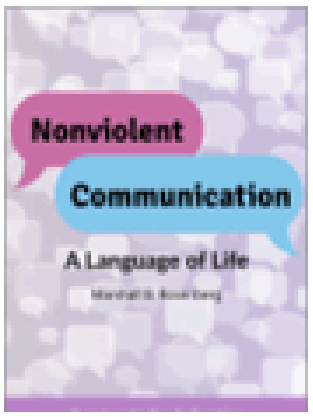
KEY QUOTES

"If the reckoning is how we walk into a tough story, the rumble is where we go to the mat with it and own it."

"Writing slows the winds and calms the seas."

"Own the story and you get to write the ending. Deny the story and it owns you."

"Make your joy and meaning list and make sure that you use it as you define success for yourself."



NONVIOLENT COMMUNICATION

A Language of Life

Marshall B. Rosenberg

The Big "So What"

This book is a detailed guide for Nonviolent Communication (NVC)—an empathic way of thinking and communicating that leads to connection, mutual understanding, and solutions that can fully satisfy *all* parties' needs. This approach can be applied to all types of situations, from intimate relationships to organizational and diplomatic relations.

Introduction: What is Nonviolent Communication?

Nonviolent Communication (NVC) was developed by psychologist Marshall Rosenberg. It trains us to carefully observe and identify the behaviors/conditions that affect us, express ourselves effectively, and listen deeply to foster respect and understanding.

- NVC is *both a process and a mindset*. It's a way to see other people in a compassionate way even under trying circumstances, to listen and speak from the heart, and connect deeply with ourselves and with one another.

- It is not meant to be applied rigidly like a fixed formula, but to be *adapted flexibly* to suit different types of situations, relationships, and conflicts. This book captures the concepts, principles and approaches for NVC.

Communicating with Compassion

When we interact with others, we may unknowingly read into their messages, defend ourselves, or attack what they say. We think we've expressed ourselves clearly, when we may not

KEY QUOTES

"NVC helps us connect with each other and ourselves in a way that allows our natural compassion to flourish."

"The essence of NVC is in our consciousness...not in the actual words that are exchanged."

"NVC is not a set formula, but something that adapts to various situations as well as personal and cultural styles."

"Life-alienating communication...traps us in a world of ideas about rightness and wrongness—a world of judgments."

even know what we truly want or need. Rosenberg identifies several types of communication that alienate people and block compassion:

- When others don't act in alignment with our values, we make *moralistic judgments* that imply they are bad or wrong. We use labels like "lazy," "selfish," or "racist," to judge or classify people, blocking empathy and understanding.

- We *make comparisons* between people to create feelings of superiority or inferiority. These hinder empathy or appreciation for others' unique traits and circumstances.

- We *deny personal responsibility* and blame our thoughts, feelings, or actions on other people, external circumstances, social norms, rules or policies. We say things like "I have to..." "They made me..." or "The boss said so..."

- We *express our desires as demands*, making explicit/implicit threats to punish others if they don't do what we want. We seek to change other people, and push them to do what we want (regardless of what they want). When they don't act the way we expect or approve of, we believe that they deserve to be punished. In turn, others feel resentful or resistant for being coerced.

By contrast, NVC uses 4 key components to communicate clearly and empathically, without blame or criticism:

- *Observations*: Observe the concrete actions that affect us.

- *Feelings*: Identify and express how we feel in relation to those observations.

- *Needs*: Identify the needs, wants, and values that create those feelings.

- *Requests*: Make specific requests that fulfill our needs and enrich our lives.

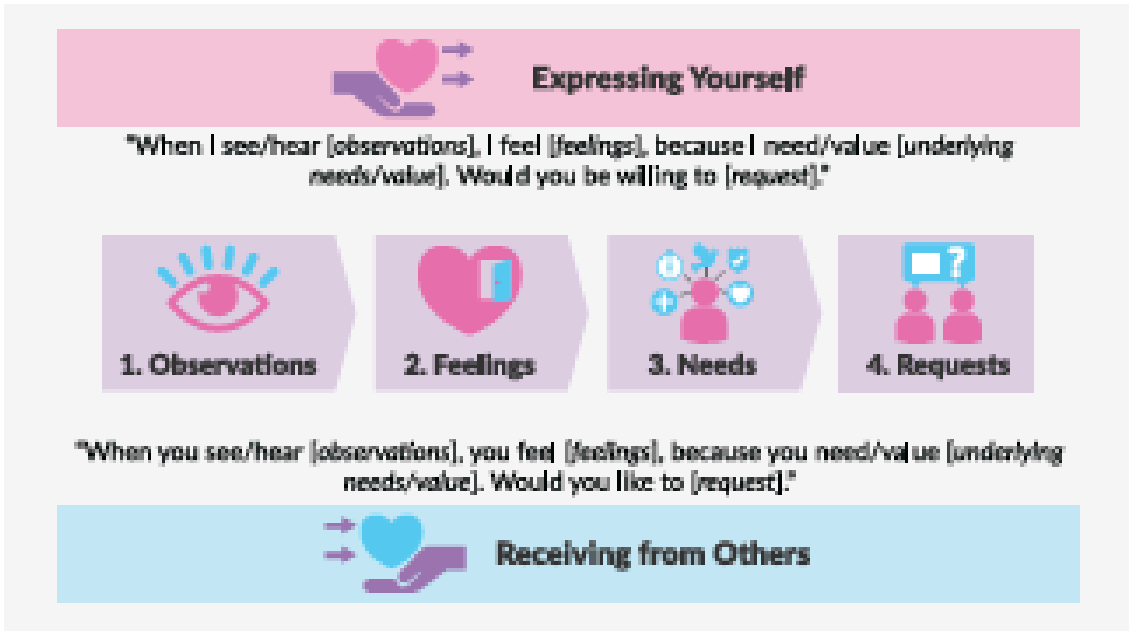
For example, instead of making sarcastic remarks or demanding that your partner puts away his phone during dinner, you might say: "When I notice that you are on your phone during dinner time (*observation*), I feel neglected (*feeling*) because I need connection and presence during our shared moments (*need*). Would you be willing to put your phone away when we eat (*request*)?"

KEY QUOTES

"We all pay dearly when people respond to our values and needs not out of a desire to give from the heart, but out of fear, guilt, or shame."

In the next sections, we'll elaborate on how to use the 4 components in 2 parts to:

- *Honestly express* our needs and feelings; and
- *Empathically receive* others' needs and feelings.



Expressing Yourself Honestly

Use the 4 components of NVC to (i) *observe* a situation, (ii) articulate how you *feel*, (iii) express what you *need*, and (iv) make a specific *request*.

1. Observe Without Evaluation

Separate observations from evaluations. Describe only what you can see or hear, i.e. things that can be captured in a video. Exclude your interpretations, analyses, or judgments.

- When we *mix up observations and evaluations*, it sounds like a criticism to the receiving party, which leads to resistance. You can still have your own opinions or evaluations. However, make a conscious effort to separate your opinions from your observations. For example:

Language	Observation mixed with evaluation	Observation separated from evaluation
Use "to be" verbs instead of specifying your perspectives.	You are selfish.	When I see you take the last slice of pizza without asking if anyone else wants it, I think you're being selfish.

KEY QUOTES

"When we combine observation with evaluation, people are apt to hear criticism."

Language	Observation mixed with evaluation	Observation separated from evaluation
Use verbs with built-in judgments	Sarah gossips.	I heard Sarah sharing personal info about other colleagues 3x today.
Stating someone's thoughts, feelings, or intentions as fact.	He doesn't care about this project.	He hasn't participated in our last 3 project meetings, which gives me the impression that he may not care about this project.
Assume your prediction is a certainty.	If you keep staying up late, you will fail your exams.	If you keep staying up late, I worry that you may struggle in your exams.
Being vague about who/what you're referring to.	Teenagers are such reckless drivers.	My teenage nephew received 3 speeding tickets this month.
Describe an ability as if it's a fact.	Clara is a lousy writer.	Clara failed her last 3 writing assignments.
Use adjectives or adverbs rather than specify your opinion.	This soup is terrible.	The taste of this soup isn't appealing to me.
Being vague about frequency.	You seldom listen.	In our last 5 discussions, you changed the subject or used your phone while I was still speaking.
Generalizing or exaggerating	He's always late.	For our last 4 meetings, he arrived 15min after the agreed time.

KEY QUOTES

"For most of us, it is difficult to make observations, especially of people and their behavior, that are free of judgment, criticism, or other forms of analysis."

2. Identify and Express How You Feel

This is about identifying and expressing how you feel due to the observations. However, most of us are so used to suppressing or ignoring our feelings that we find it hard to express them.

- We confuse our feelings with our *thoughts or opinions*. These can usually be identified when the words "I feel..." are followed by the words "that," "like," "as if," or a name, noun, or pronoun (e.g. "I," "you," or "they"). For example:

Expressing Non-Feelings	Expressing Feelings
"I feel like I'm talking to a wall."	"I feel *uncertain* when you don't respond to what I say."
"I feel Tim is being unfair."	"I feel *upset* when I perceive Tim to allocate tasks unequally between team members."
"I feel this is pointless."	"I feel *frustrated* because I need to see some progress in our discussion."

- We also confuse our feelings with *our sense of identity*, and our interpretation of *how others see/treat us*. For example:

"Our repertoire of words for calling people names is often larger than our vocabulary of words to clearly describe our emotional states."

"Distinguish between what we feel and what we think we are."

- *Interpersonal connection*: Love, trust, and acceptance.
- *Spiritual well-being*: Experiencing beauty, harmony, peace, and inspiration.
- *Physical well-being*: Meeting basic needs like food, shelter, or rest.
- *Play*: Enjoying fun and laughter.

Take emotional responsibility. According to Rosenberg, your feelings come from your own needs, expectations, and perceptions. Others' words and actions might trigger feelings in you, but they cannot *cause* those feelings.

- *Your create your own feelings*. Imagine you're stuck in traffic and someone cuts into your lane.

  (i) If you're late for an appointment, you might get angry and start shouting "What an idiot! Do you think you're the only one in a rush?"

  (ii) If you're ahead of schedule, you might be happy for the slow commute to enjoy your audiobook.

- *You can choose your responses*. Imagine your partner says, "You didn't take out the thrash again!" You can respond in 4 ways.

  (i) *Blame yourself*: "I'm so forgetful. I can't get anything right."

  (ii) *Blame others*: "Well, I forgot because you didn't remind me!"

  (iii) *Perceive your own feelings and needs* without blame: "I see that I forgot the trash again. I feel frustrated because I need to remember my tasks better. Could we brainstorm ways to help me remember this task in the future?"

  (iv) *Perceive others' feelings and needs*, even if they're not explicitly expressed: "It sounds like you're feeling frustrated because you need more help with the household chores. Is that right?

The first 2 responses block compassion to create shame, guilt, resentment, or defensiveness. The last 2 responses connect feelings to needs, making it easier to respond compassionately.

KEY QUOTES

"What others say and do may be the stimulus, but never the cause, of our feelings."

"People are disturbed not by things, but by the view they take of them."
—Epictetus

"Our feelings result from how we choose to receive what others say and do, as well as from our particular needs and expectations in that moment."

Take emotional responsibility by connecting feelings to needs.

- *Do not* use speech patterns that deny or mask emotional accountability. These include:

  (i) Using *impersonal pronouns* like "it" or "that", e.g. "It's really infuriating" or "That really bugs me."

  (ii) Attributing your feelings to *someone's actions*, e.g. "I feel hurt because you broke your promise" or "You make me feel..."

- *Do* use the words "I feel...because I..." For example, "I feel hurt that you broke your promise because I value reliability and trust."

You're likely to move through 3 stages as you develop emotional responsibility:

- "*Emotional slavery*": Initially, you take too much responsibility for others' feelings. To keep everyone happy, you suppress your own needs, only to feel tired and resentful.

- As you realize that you're not responsible for others' feelings, you might swing to the other extreme—to assert your own needs aggressively and ignore others' needs with comments like "That's not my problem" or "I'm not your servant." Rosenberg calls this the "*obnoxious stage*."

- You achieve "*emotional liberation*" when you balance between emotional responsibility and empathy. You own and communicate your feelings and needs, while concurrently empathizing with others' feelings and needs. You might say something like: "I understand that you need my help, and I'd love to be there for you. I'm just feeling overwhelmed with my workload right now. Can we find another way or time to address your needs?"

4. Make Requests to Meet Your Needs

After expressing your observations, feelings and needs, you can now convey clear, specific requests that would satisfy your needs and enrich your life.

KEY QUOTES

"It can be difficult to make clear requests. But think how hard it will be for others to respond to our request if we're not even clear what it is!"

- Use *positive language* to ask for what you want, rather than what you don't want. Make sure your request is specific, achievable, and can satisfy the needs you identified. Use the phrase "Would you be willing to...?"

- You need *all 4 components* for NVC to work. If you express your feelings without an actionable request, the other person won't know what you want from them. If you make a request without expressing your feelings, it could come across like a demand.

- Even if you articulate your request clearly, the other person may not hear the intended message. To verify that the message has been *accurately heard and understood*, ask the listener to paraphrase or reflect back what you said.

  (i) Express appreciation if they try to reflect back your request.

  (ii) Empathize with them even if they refuse.

- After sharing your feelings/needs vulnerably, you will probably want to know how the other person thinks and feels. Be as specific as possible when *requesting for feedback*:

  (i) To ask for *specific feelings*, ask "Could you tell me how you're feeling about...?" rather than "How are you feeling?"

  (ii) To ask for *specific thoughts*, ask something like, "Do you think the proposed changes to the project will be successful? If not, what must we change to improve its chances of success?" rather than "What do you think?"

Remember: you are making a **request, not a demand**. The other person has the right to say "no." Don't try to force or manipulate others into submitting, as it'll only bring resentment and frustration.

- The *difference between a demand and a request* is what happens if the receiving party declines:

  (i) It's a demand if the requester starts to judge, criticize, or see it as a form of a rejection.

  (ii) It's a genuine request if the requester shows empathy for the other person's needs and decisions.

KEY QUOTES

"How do we express our requests so that others are more willing to respond compassionately to our needs?"

"We talk to others or at them without knowing how to engage in a dialogue with them."

- *Treat "no" as a chance to open up a dialogue* and uncover the unmet needs that are stopping the other party from saying "yes."

When you request for a group meeting, let people know when your needs are met. This allows everyone to move on instead of prolonging the discussions unnecessarily.

Receiving Empathically

This is about listening actively to the other person's observations, feelings, needs, and requests, without hearing blame or criticism.

How to Receive Empathically

To practice empathy, you must listen with your entire being, not only with your head. Shed all preconceived notions, and be fully present to what the other person is communicating.

- You can't be fully present if you're *evaluating the problem intellectually in your mind*. This includes: offering advice ("Why don't you..."), offering comfort ("It's not your fault..."), teaching ("You can learn from..."), one-upping ("I went through something worse..."), questioning ("How did that happen?"), or sympathizing ("Poor thing...").

- No matter what they say, focus only on their observations, feelings, needs, and requests. Paraphrase or *reflect back* what you heard, e.g. "Are you feeling overwhelmed because you need help with your workload?" or "Are you feeling anxious because you would like more certainty about our plans?"

  (i) This allows them to confirm or to correct your understanding, and get more deeply in touch with themselves in the process.

  (ii) Use a tone of voice that suggests you're just trying to understand, not stating a conclusion.

- The goal is to *sustain empathy* until you have fully heard the other person's observations, feelings, needs and requests.

KEY QUOTES

"Empathy...calls upon us to empty our mind and listen to others with our whole being."

"Intellectual understanding blocks empathy."

"It is a poignant experience to receive concrete evidence that someone is empathically connected to us."

When the other person feels understood, he/she will probably stop talking, and you can sense a release of tension. You can confirm by asking "Is there more that you wanted to say?"

When you're in pain, it can be hard to empathize with others. You must exercise self-empathy before you can offer empathy to others.

- If you're feeling *defensive or overwhelmed*:

  (i) Breathe, calm down, and ask yourself: "What am I feeling right now? What need of mine is not being met?"

  (ii) Scream nonviolently to convey your emotional state honestly without blame or criticism. For example: "I'm feeling distressed right now and I really need some peace and quiet. Would you be willing to take a break and discuss this later when I'm more centered?"

  (iii) Step away from the situation, take some time to soothe yourself and reflect on our feelings and needs, before returning to the conversation with a clear mind.

Empathy is a powerful tool to create deeper connections, encourage healing, foster understanding, and prevent conflict.

- When we're empathic, we show a genuine interest in others, which encourages them to open up and engage in *deeper conversations*.
- When people feel heard and understood, it *dissolves psychological barriers* (e.g. fear, resentment, or isolation) to start the process of healing.
- Empathy can *defuse potential violence*, since people are less likely to resort to aggressive behavior when they feel heard and understood. When we empathize with others, we also recognize our shared humanity to stop seeing people as monsters.
- Empathy helps us to see others' *refusal* not as a form of rejection, but a sign of unmet needs. For example, your friend doesn't want to meet for drinks because she's exhausted and needs rest, not because she dislikes your company.
- Empathy helps to *breathe life into dull conversations* by injecting curiosity and authenticity into our interactions.

KEY QUOTES

"It is impossible to give something to another if we don't have it ourselves."

"The more we empathize with the other party, the safer we feel."

"Behind intimidating messages are merely people appealing to us to meet their needs."

"All of us want our words to enrich others, not to burden them."

- It helps us to tune into *unspoken feelings and needs*. Try empathic questions like, "You've been quiet. Are you feeling uncomfortable and need more time to process this?"

Nurturing Relationships with Yourself and Others

Practicing Self-Compassion with NVC

NVC isn't just about connecting with others; it's also about connecting with ourselves. It's hard to empathize with others if we're harsh and critical with ourselves. Use NVC to develop self-compassion.

- Once you notice any *self-criticism*, pause to identify the unmet need causing the judgment and regret, so you can find better ways to fulfill that need in the future.

- *Forgive yourself* for the things you now regret. Realize that you were just trying to meet certain needs. Focus on learning and growing from the experience.

Engage only in activities that are aligned with your needs/values, and can enrich your life (as well as those around you).

- *Don't do things out of obligation, guilt, or shame*, since these will only lead to resentment and burnout.

- Stop using the words "I should" and "I have to" to avoid self-blame or a victim-mindset. Take personal responsibility by *reframing your tasks with the words "I choose to."*

  (i) List down all the things you "have to" do. Reframe them with the words: "I choose to.... because I want to..." For example, you can replace "I have to go to work" with "I choose to go to work because I want to support my family and contribute to something I care about."

  (ii) Consciously align your actions with your values, needs and desires. For example, Rosenberg hated writing clinical reports—once he realized that he was doing it purely for financial reasons, he chose to focus on other more fulfilling sources of income.

KEY QUOTES

"When we are internally violent toward ourselves, it is difficult to be genuinely compassionate toward others."

"An otherwise joyful activity performed out of obligation, duty, fear, guilt, or shame will lose its joy and eventually engender resistance."

"We can replace language that implies lack of choice with language that acknowledges choice."

"In connecting moment by moment to our needs, we increase our creative capacity to act in harmony with them."

Expressing Anger and Appreciation

To fully express your anger, you must take responsibility for it. Others' actions may trigger your anger, but they are not the root cause. Your feelings are created by your own needs and perceptions.

- *See anger as a sign to look inward* to address unmet needs:

  (i) Take a moment to breathe deeply.

  (ii) Identify the judgmental thoughts fueling your anger.

  (iii) Pinpoint the unmet needs or values causing the anger.

  (iv) Convey those feelings and needs clearly and directly, without blame or criticism. For instance, instead of yelling "You're always late!", you could say, "I feel upset when you arrive 30 minutes after the agreed time, because I value punctuality."

Compliments can sometimes be used to judge or manipulate others. Show appreciation purely to celebrate, not to influence others or to get something in return.

- *To show appreciation*: Mention the specific action you're thankful for, describe the specific need that was fulfilled by the action, and the positive feeling that arose from satisfying the need. For example: "Jack, when you spent the whole day to help me move my furniture [action], I felt relieved [feeling] because I really needed help to finish the move in time [need]."

- *Receive appreciation with empathy*. Don't act superior nor feign humility.

Conflict Resolution

Traditional mediation vs NVC mediation. Traditional mediation aims to find a compromise between conflicting parties as quickly as possible, whereas NVC aims to build genuine connections and fulfill the needs of *all* parties.

KEY QUOTES

"At the core of all anger is a need that is not being fulfilled...To fully express anger requires full consciousness of our need."

"The cause of anger lies in our thinking—in thoughts of blame and judgment."

"Express appreciation to celebrate, not to manipulate."

"As we let our own light shine, we unconsciously give other people permission to do the same. As we are liberated from our fear, our presence automatically liberates others."

- All human beings share universal needs, such as our need for autonomy, meaning, interpersonal connection, etc. However, we use different strategies to fulfill those needs. For example, we may seek social connection (a need) by meeting up with friends (a strategy). Often, conflicts are caused by *clashes in strategies, not needs*.

- NVC is built on the belief that *all conflicts arise from unmet needs*. Once those needs are understood and respected, you can find strategies that meet everyone's needs quickly.

Rosenberg presents 5 steps for NVC conflict resolution. The first 2 steps are interchangeable—either party can express their needs first.

- *Express your needs* clearly and specifically, focusing on what you want (not what you don't want).

- *Understand their needs*: Listen empathically with your whole being, even if they're being critical or judgmental. Aim to uncover the feelings and needs behind their words.

- *Confirm mutual understanding*, or whether you've understood each other's needs.

- If there's any confusion, *sustain empathy* until both sides are satisfied that their needs have been fully heard and understood.

- Once all needs are clear, *brainstorm strategies* to meet those needs. Present requests using positive action language, and focus on what can be done *now*.

Use NVC to resolve both internal and external conflicts:

- *Free yourself* from old programming and cultural conditioning, e.g. reject notions that it's weak to show sensitivity or vulnerability, or it's selfish to express your needs.

- *Resolve inner conflicts* to prevent depression. Recognize that all needs arise from a desire to enrich your life. Instead of judging certain desires as "bad," explore ways to satisfy *all* your needs.

- When you empathize with others' feelings and needs, it also *reduces external conflict* as you're less likely to judge others negatively and respond aggressively.

KEY QUOTES

"When we hear another person's feelings and needs, we recognize our common humanity."

"To resolve conflicts using NVC, we need to train ourselves to hear people expressing needs regardless of how they do the expressing."

Use of Force

In rare situations where communication is impossible due to imminent danger, protective use of force may be necessary. For example, if a child is about to run into traffic, his parent may pull him back firmly to protect him from potential harm. The key is to protect others, not to punish or blame.

- By contrast, *punitive force* is about using pain or consequences to discipline or control someone. Using the same scenario, the parent might later punish the child (e.g. restrict his playtime) to teach him a lesson. Such methods are counter-productive, since they tend to create resistance and resentment. In fact, punishments and rewards don't bring true behavioral change as they don't address the needs driving the behavior.

- Before applying any force, ask yourself *2 questions*:

  (i) "What do I want this person to do?"

  (ii) "What do I want this person's reasons to be for doing it?"

  The second question will help to weed out ineffective extrinsic motivators.

Conclusion and Other Details to Look out For

NVC helps to cultivate new relationships with yourself and others, to understand and fulfill mutual needs in relationships, and achieve true peace and harmony.

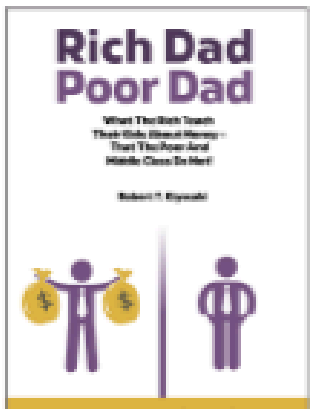
The book is packed with detailed case studies and sample conversations to help readers to understand and apply the NVC principles and components. It also includes a list of universal human needs, a list of words to express feelings specifically, as well as other tips for professional mediator, therapists, and counsellors. For more details and resources, please visit https://www.cnvc.org/.

KEY QUOTES

"We can never make people do anything."

"When we submit to doing something solely for the purpose of avoiding punishment, our attention is distracted from the value of the action itself."

"NVC helps us create a more peaceful state of mind by encouraging us to focus on what we are truly wanting rather than on what is wrong with others or ourselves."



Rich Dad Poor Dad

What The Rich Teach Their Kids About Money
–That The Poor And Middle Class Do Not!

ROBERT T. KIYOSAKI

The Big "So What"

Why do the rich get richer, and the poor get poorer? Why do the educated middle class have a successful career, yet struggle with their financial commitments? In this book, Kiyosaki shares what he learned about wealth from his "rich dad" and "poor dad", the secrets that separate the Rich from the Poor and Middle Class, and how we can apply this to grow our wealth.

Introduction

Money and financial literacy are not taught in schools. Most people learn about money from their parents, and that's partially why the rich get richer and the poor get poorer.

Kiyosaki was fortunate to grow up with 2 fathers – one rich and one poor. By comparing and reflecting upon the different advice given by each dad, Kiyosaki was able to learn from both of them.

- "Poor Dad". His father was a school teacher with good degrees and a Ph.D. Yet, despite earning a good salary, he struggled with debt and finances his whole life.

- "Rich Dad". His best friend Mike's father was a business owner who never finished eighth grade, but eventually became one of the richest men in Hawaii.

At the age of 9, Kiyosaki and Mike asked Rich Dad to teach them how to get rich. Rich Dad began their financial education through real-life lessons, for 30 years until Kiyosaki was 39 years old. In this book, Kiyosaki shares his learning journey and the 6 fundamental lessons that he learned over these 30 years. In this summary, we've condensed the lessons into 3 parts.

KEY QUOTES

"Having two dads offered me the choice of contrasting points of view: one of a rich man and one of a poor man."

"There is a difference between being poor and being broke. Broke is temporary. Poor is eternal."

"Life is the best teacher of all. Most of the time, life does not talk to you. It just sort of pushes you around. Each push is life saying, 'Wake up. There's something I want you to learn.'"

"Proper physical exercise increases your chances for health, and proper mental exercise increases your chances for wealth."

Part 1: Don't work for money.

Work to learn, and make money work for you.

Get out of the Rat Race

Most of us are controlled by our emotions of fear and desire for money:

- Fear: Most people go to work every day to earn money to pay their bills. They fear being fired, not being able to pay their bills, having to start over...

- Desire (or greed): With more money, people buy more and better things, which give them short-term joy, satisfaction and comfort. However, the more they earn and spend, the harder they must work and the more they fear losing their jobs. They are caught in the "rat race", blame their employers for paying them too little, or working them too hard.

The same applies for many "rich people" who may appear wealthy, but are emotionally broke. They amass loads of money to overcome their fear of not having money, only to end up with more fears of losing the money and status that they've earned. Start by recognizing your fears about money, so you can master them.

Make money work for you

Money is an illusion. By applying your brains, you can make money work for you.

Rich Dad began Kiyosaki and Mike's financial education by giving them a taste of "working life". At 9 years old, the boys "worked" for Rich Dad at 10 cents an hour, and were even offered a pay-rise. Their breakthrough came when they stopped looking at their "job" as the main source of income, and sought alternative ways to make money.

The 2 boys opened a comic book library – they collected used comic books, charged 10 cents for neighbourhood kids to read as many comics as they liked in 2 hours, and hired Mike's sister to manage the library. They started to see what it meant to have money work for them: their business generated money even when they weren't physically there.

KEY QUOTES

"The poor and the middle class work for money. The rich have money work for them."

"Fear pushes you out the door, and desire calls to you. That's the trap."

"I want to teach you to master the power of money, instead of being afraid of it."

"Fear keeps (people) in this trap of working, earning money, hoping the fear will go away... Money is running their lives."

"If you don't first handle fear and desire, and you get rich, you'll only be a highly paid slave."

Rich dad believed that the words "I can't afford it" shut down your brain. "How can I afford it?" opens up possibilities, excitement, and dreams."

"A job is really a short-term solution to a long-term problem."

"Most people... think that more money will solve the problem and don't realize that it's their lack of financial education that is the problem."

Work to Learn

In the long run, education is more valuable than money. Hence, Kiyosaki encourages us to work not just for money and security, but to learn. He picked up various skills through a wide range of jobs:

- For years, Kiyosaki worked in different areas of Rich Dad's companies. He also tried working as a bus boy, a construction worker, in reservations, sales and marketing.

- He resigned from a high-paying job with Standard Oil, and joined the Marine Corps to learn international trade and leadership. Recognizing his own fear of door-to-door sales, he joined Xerox Corp to learn to sell, and worked there for 4 years until he overcame the fear and was one of the top salespeople in the company.

- He concurrently started his first business in 1977, which gave him even more motivation to work hard to amass money to invest in real estate.

Focus on learning how to manage cash flows, systems and people, as well as improving your communication, sales and marketing skills, which are foundational to success in any area. If necessary, take a second job that can teach you the necessary skills, or join a network-marketing company to learn sales skills and overcome your fear of failure and rejection.

KEY QUOTES

"To be the master of money, you need to be smarter than it. Then money will do as it is told. It will obey you. Instead of being a slave to it, you will be the master of it. That is financial intelligence."

"Job security meant everything to my educated dad. Learning meant everything to my rich dad."

"In the long run, it's not how much money you make. It's how much you keep, and how many generations keep it."

Part 2: Get financially educated.

Work to learn, and make money work for you.

Growing assets are like planting a tree – you need to tend to it for years, until its roots are deep enough to provide shade and bear fruits for your enjoyment. Unfortunately, many people want to get rich quickly without learning about money. That's like building a skyscraper with little or no foundation, and that's why people lose millions as quickly as they acquire it.

Schools equip us with skills to work for money, but not to harness the power of money. Without financial skills, educated people may have a successful profession and a good salary, but they don't keep the money they've earned, nor make the money work hard for them.

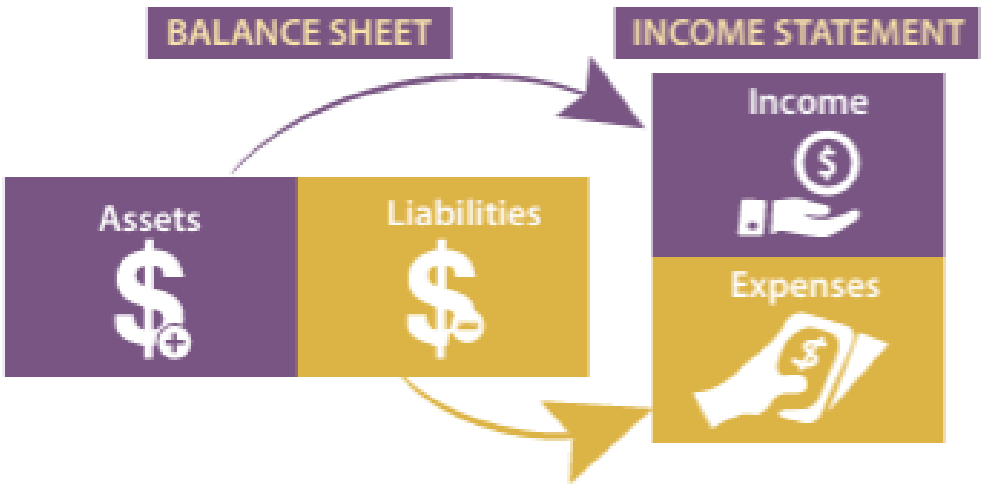
"Money is one form of power. But what is more powerful is financial education. Money comes and goes, but if you have the education about how money works, you gain power over it and can begin building wealth."

"It's called financial aptitude—what you do with the money once you make it, how to keep people from taking it from you, how to keep it longer, and how to make that money work hard for you."

Financial education requires real-life application and is a life-long process.

Buy Assets, not Liabilities

In order to buy assets, you must know the difference between an asset and a liability. Simply put, an asset puts money *in* your pocket, while a liability takes money *out* of your pocket. You also need to look at cash-flow, as they tell a story of how the money flows and how the money is being handled.



Your home is a liability, not an asset

Have you been told that "your home is your biggest investment"? Well, if your house isn't generating income, it's a liability. Moreover:

- If you buy a new house every few years, with a new 30-year loan, you never really own your home;
- Houses don't always appreciate in value. Instead, property taxes may increase, causing extra financial strain;
- The money tied up in the house, the cost of maintaining the house, and the time that you spend working to pay off the mortgage, all represent opportunity costs.

If you wish to buy a bigger house, don't buy it with cash or loans. Buy assets that'll generate the cash flow to pay for the house. That way, you avoid losing time (during which your assets could have grown in value), losing capital (which could have been invested elsewhere), and losing learning opportunities (from other investments you could've made if the money wasn't locked up in the house).

KEY QUOTES

"Rich people acquire assets. The poor and middle class acquire liabilities that they think are assets."

"Your home is an emotional thing and when it comes to money, high emotions tend to lower financial intelligence."

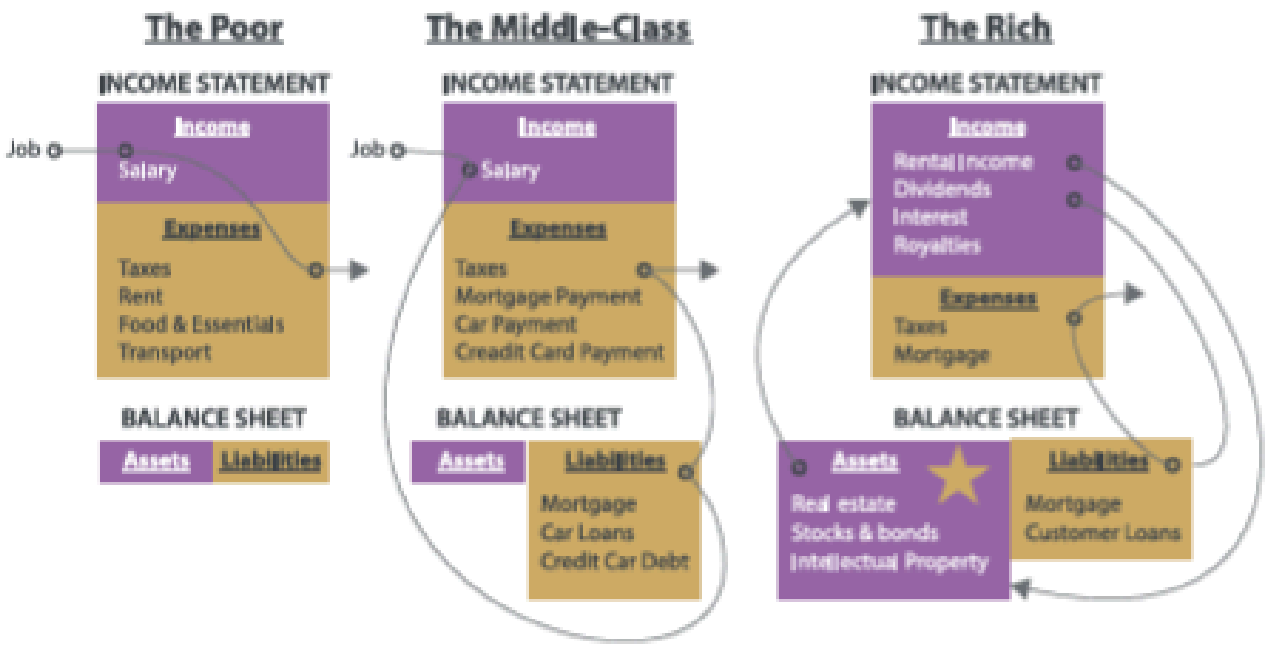
"All too often, a house only serves as a vehicle for incurring a home-equity loan to pay for mounting expenses."

"More money seldom solves someone's money problems. Intelligence solves problems."

Focus on your Asset Column, not Income Statement

- The rich get richer because they buy assets, which generate cash.
- The poor only have expenses; thus they're stuck in a poverty loop.
- The middle class struggle, because they buy liabilities they *think* are assets. They spend their income on "assets" like dream homes, cars, children, which are actually liabilities that generate expenses. They work harder to earn more money, only to pay more taxes as their salary increases.

To get rich, grow your asset column. When it generates more than enough income to cover expenses, you'll grow richer without putting in physical labour. Reinvest the balance into the asset column to form a virtuous cycle, or reward yourself with luxuries using the proceeds.



Work for yourself

Most employees struggle financially because they spend their lives working for everyone except themselves. They spend all their time working for their company, pay taxes to the government, pay interest to the bank (for mortgage, car loans or credit card debts), *then* pay themselves whatever is left.

Instead, mind your own business - keep your daytime job, keep expenses low, reduce liabilities and start building a base of solid assets, such as:

- Businesses that you own but don't require your presence;

KEY QUOTES

"The rich focus on their asset columns, while everyone else focuses on their income statements."

"If you work for money, you give the power to your employer. If money works for you, you keep the power and control it."

"Financial struggle is often directly the result of people working all their lives for someone else."

- Stocks, bonds, income-generating real estate, notes (IOUs), royalties from intellectual property (e.g. music, scripts, patents); and

- Anything else with value, produces income or appreciates, and has a ready market.

Pay yourself first–invest in building your assets *before* paying your bills, and don't ever dip into your savings or investments for your expenses. This may sound extreme, but the pressure from your creditors and unpaid bills could motivate you to seek new opportunities that you'd otherwise overlook.

Focus on Wealth, not Net worth

Net-worth measures your net economic position, i.e. all the assets you own, minus your liabilities. Sadly, your net worth could be a lot less than it appears. This is because:

- Your net worth includes non cash-producing assets and personal effects, like your car and golf clubs, which become less valuable once you use them; and

- When you sell your assets, you are taxed for your gains.

A more meaningful measure is your wealth, i.e. how long you can survive if you stopped working today. The larger your asset column, the more income you generate even if you're not working.

Here are some useful tips to start growing your wealth:

Start a business *only* if you want to. Businesses have a high failure rate: 90% of companies fail in 5 years, and 90% of the survivors fail subsequently. Kiyosaki recommends that you start a business only *if* you really wish to be an entrepreneur. Otherwise, work hard at your job and concurrently build your asset column. After all, every dollar in your asset column is like an employee who works 24x7 for you, for generations.

Buy assets first and buy luxuries last. If you buy luxuries first (e.g. a nice car or a big house on credit), you build liabilities. Treat the luxury items as a reward for growing your assets – buy them only when you've built up enough assets, such that the income from your assets pays for your luxury items.

KEY QUOTES

"Once a dollar goes into your asset column, it becomes your employee. The best thing about money is that it works 24 hours a day and can work for generations."

"Only if you really have the desire to own your own company do I recommend it. Otherwise, keep your day job and mind your own business."

"An important distinction is that rich people buy luxuries last, while the poor and middle class tend to buy luxuries first."

Go for investments that you love and understand. Kiyosaki personally loves real estate and small businesses:

- For real estate, he starts small and keeps trading up for bigger properties, usually holding them for less than 7 years. That way, he delays paying taxes on the gains, while giving time for the property value to rise.

- For small companies, he uses his business acumen to pick the right stocks, and aims to be out of the stock in a year..

Teach your children to differentiate between assets and liabilities before they strike out on their own.

Learn about money

Your Financial IQ is a combination of 4 areas of expertise:

Accounting is the ability to read numbers and understand financial statements, so you can identify the strengths and weaknesses of any business.

Investing involves creative strategies and formulas to "make money with money".

Markets are about supply and demand. Understanding markets involve knowing the economic, technical and emotions-driven aspects of the market, so you can assess if an investment makes sense given prevailing market conditions.

The law. The corporation is a powerful tool to integrate your accounting, investing, and market expertise. It allows you to do a lot of things you can't do as an individual, such as:

Protection from lawsuits. The rich "hide" much of their wealth through vehicles like trusts and corporations. If you sue a rich person, you may find that under the layers of legal protection, he/she controls everything, yet owns nothing.

Tax advantages (i.e. pay expenses before paying taxes). An employees gets taxed first and can only spend what's left; a corporation spends first and gets taxed on what's left.

KEY QUOTES

"True learning takes energy, passion, and a burning desire."

"You want to know a little about a lot" was rich dad's suggestion."

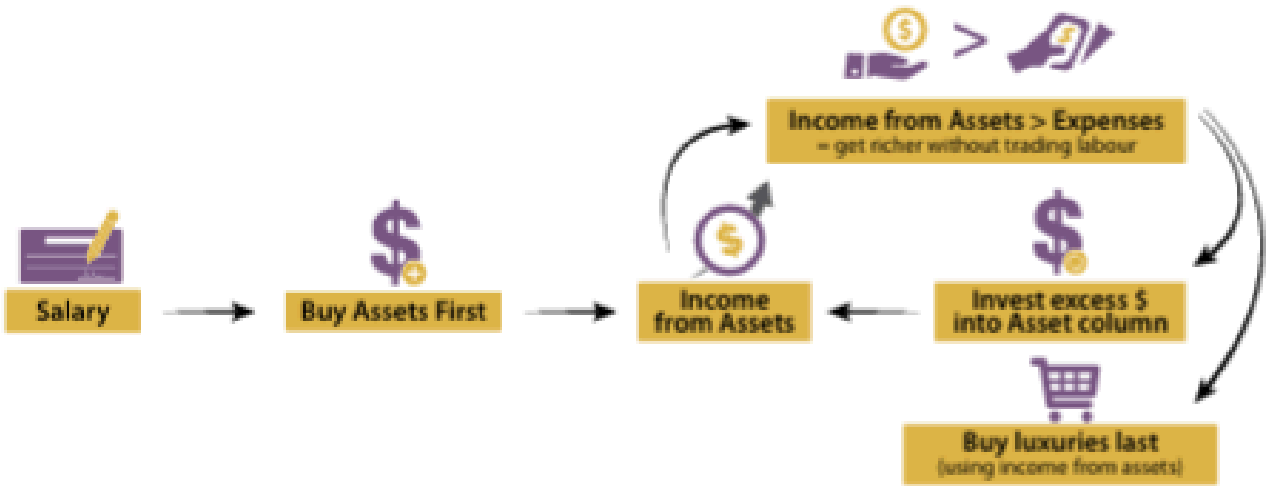
"Investing is not buying. It's more a case of knowing."

"The best investments are usually first sold to sophisticated investors, who then turn around and sell them to the people playing it safe."

With some creativity, you can legally deduct items like vacations, meals, insurance, and club memberships as company expenses.

These 4 technical skills aren't as complex as it may seem, and can be learned.

This diagram summarizes some of the key ideas above:



PART 3: Take charge of your wealth

Don't wait for opportunities. Create them.

The History of Taxes

Most of us love the Robin Hood story of robbing the rich for the poor, and we see taxes as a way to achieve that outcome. The reality is, the rich are not taxed; it's the middle class who pays for the poor. To understand this, you need to understand the history of taxes.

Income taxes originated in England in 1874, and was introduced permanently in the United States in 1913. In both cases, taxes were initially levied only against the rich, but ended up penalizing the poor and middle class. Taxes were accepted by the masses who thought it would only punish the rich. However, as the government grew, it needed more taxes to support its operations. Taxes were levied on the middle class, and it trickled down from there.

In the meantime, during the days of sailing ships, the rich created the corporation to limit their business risks. Sea voyages were financed via a corporation, which in turn hired the crew to sail to the New World to look for treasure. If the entire ship and crew were lost, the rich could limit their losses to the money invested for that specific voyage.

KEY QUOTES

"Education is more valuable than money, in the long run."

"There is gold everywhere. Most people are not trained to see it."

"Often in the real world, it's not the smart who get ahead, but the bold."

"Although (tax) was intended to punish the rich, in reality it wound up punishing the very people who voted for it, the poor and middle class."

"The socialists ultimately penalized themselves due to their lack of financial education... The rich outsmarted the intellectuals solely because they understood the power of money, a subject not taught in schools."

Through the corporation, the rich found a way to get around taxes:

- The income-tax rate of a corporation is less than the individual income-tax rates; and

- Certain expenses could be paid by a corporation with pre-tax dollars, reducing the taxable income for the rich.

The rich can outsmart the tax system because they understand how money works. They invest money, power, and time to hire smart attorneys and accountants, lobby politicians to change laws, and use their brains and resources to change things. The poor and middle class are too busy working and uninformed to find such solutions.

The Rich Invent Money & Create Opportunities

Many people complain they have no opportunities, when they aren't even actively looking, or fail to recognize a rare opportunity staring at them in the face. Others see great opportunities but have no money to leverage them. Financial intelligence is about creating more options for yourself – knowing how to improve your financial position, to make an opportunity work in your favour, or turn a problem into an opportunity.

Kiyosaki shares how he personally created opportunities for himself:

- He made millions using games and simulations to teach financial intelligence, filling an educational gap that schools don't address.

- He invested in undervalued properties and turned them around for a profit. For example, in the depressed market of early 1990s, he found undervalued properties from the bankruptcy attorney's office or the courthouse, and made about $190,000 in property transactions with about 30 hours of work.

Obviously, investments come with risk, and Kiyosaki was able to profit from them after years of practice. However, you can lower your risks with knowledge, wisdom and love of the game.

Start small and scale up. Plant small seeds in the assets column. Some will grow and some won't; From those that grow, you can plant bigger seeds and gradually grow your

KEY QUOTES

"Instead of climbing the corporate ladder, why not own the ladder?"

"My rich dad just played the game smart, and he did it through corporations— the biggest secret of the rich."

"The world is always handing you opportunities of a lifetime, every day of your life, but all too often we fail to see them."

"The more I learn...the more money I make simply because I gain experience and wisdom as the years go on."

"It is not gambling if you know what you're doing. It is gambling if you're just throwing money into a deal and praying."

"Often, the best deals that make the rich even richer are reserved for those who understand the game....The more sophisticated I get, the more opportunities come my way."

asset base. Kiyosaki likens the process to riding a bike. You will inevitably fall and probably hurt yourself in the process. It's important to have fun and not take the small losses too seriously.

Take time to hone your financial intelligence. The more you play the game, the more you understand it, and the easier it is to spot good opportunities or transform a bad deal into a good one. That's why working hard at your job and "playing safe" comes with a huge opportunity cost: the failure to gain financial intelligence.

Retail or Professional Investment. Most investors are retail investors - they buy packaged investments, much like buying a computer from a computer store. Professional investors like Kiyosaki assemble their own opportunities, much like assembling a computer using component parts. This takes much more skill and experience, but the rewards are also much bigger.

Start

Getting Started

Overcoming Obstacles

Besides the lack of financial literacy, there are 5 key obstacles that could hinder your ability to develop abundant asset columns.

Fear. Nobody likes to lose money, yet losses are inevitable in investments. The solution is to:

- Start as early as possible (especially if you are risk-averse); and
- Learn the "Texan attitude": Don't be afraid to win big and lose big; turn your failures into rallying cries for success.

Cynicism. Our doubts can paralyze us. Yet, the most gloomy and volatile times are also the best times to make money. Have the courage to take action in spite of the fearful voice in your head, and to ignore rumours of doom and gloom.

Laziness. "Busy-ness" is often an excuse to avoid dealing with the difficult issues. The best way to overcome laziness is to focus on something you want (e.g. money, success, freedom).

KEY QUOTES

"Great opportunities are not seen with your eyes. They are seen with your mind."

"There is always risk, so learn to manage risk instead of avoiding it."

"(Financial intelligence) is not so much what happens, but how many different financial solutions you can think of to turn a lemon into millions. It is how creative you are in solving financial problems."

"The single most powerful asset we all have is our mind. If it is trained well, it can create enormous wealth."

"The primary difference between a rich person and a poor person is how they manage fear."

"For most people, the reason they don't win financially is because the pain of losing money is far greater than the joy of being rich."

"Life is much like going to the gym. The most painful part is deciding to go. Once you get past that, it's easy."

"Be a little greedy. It's the best cure for laziness."

Bad habits. Break the bad habit of paying yourself last. Allow yourself to be pressurized by your creditors so you'll feel the urgency and motivation to seek out new sources of income.

Arrogance. Don't hide your ignorance behind arrogance. Confront what you don't know, rather than dismiss it as unimportant.

Unleash your Financial Genius

Here are 10 philosophies to help you unleash your financial genius

1. **The power of spirit.** Identify your deepest desires and pains which drive you.

2. **The power of choice.** Shape your life through your daily choices, be it how you think about money, who you learn from or how you spend or invest that next dollar.

3. **The power of association.** The right people and rich friends can give you access to valuable information and opportunities.

4. **The power of learning quickly.** Learn fast and apply what you've learnt.

5. **The power of self-discipline.** Always pay yourself first. Avoid liabilities, and build assets before buying luxuries.

6. **The power of good advice.** Pay your brokers well for useful information and sound education (which are priceless).

7. **The power of getting something for nothing.** Go beyond Return of Investment (ROI); look at what assets you can get for free once you get your money back.

8. **The power of focus.** Focus relentlessly on building your assets column, and only buy luxuries using assets.

9. **The power of myth.** Find your heroes so you can be inspired by them.

10. **The power of giving.** Give generously what you wish to get – be it money, education, love or friendship.

KEY QUOTES

"If you have little money and you want to be rich, you must first be focused, not balanced."

"If I pay myself first, I get financially stronger, mentally and fiscally"

"I've learned that, without a strong reason or purpose, anything in life is hard."

"That is a choice we all make daily: the choice of what we do with our time, our money, and what we put in our heads."

"When it comes to investing, too many people make it sound hard. Instead, find heroes who make it look easy."

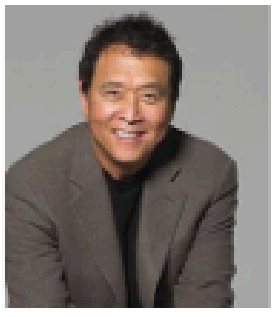
"When it comes to money, love, happiness, sales, and contacts, all one needs to remember is to give first."

Other Useful Details in the Book to Look Out For

Kiyosaki shares many interesting snippets of his learning experience with Rich Dad, as well as his personal stories and experience. He also provides many illustrated examples of cash-flows, balance sheets, and income statements of the rich, poor & middle class, to help us understand core financial concepts. Besides the 10 philosophies to hone your financial genius, he also provides 10 to-do items for you to start applying the tips from the book.

For more details get a copy of the book or check out www.richdadworld.com

About the Author



Robert Toru Kiyosaki (born 1947) is an American businessman, investor, self-help author, educator, motivational speaker, activist, financial commentator, and radio personality. Kiyosaki is the founder of the Rich Dad Company, a private financial education company that provides personal finance and business education to people through books, videos, games, seminars, blogs, coaching, and workshops.

He is also the creator of the Cashflow board and software games to educate adults and children business and financial concepts. Besides "Rich Dad Poor Dad", Kiyosaki also authored more than 26 books, and established several financial literacy programs. In 2005, he was inducted into the Amazon.com Hall of Fame as one of the top 25 bestselling authors.

KEY QUOTES

"Money is only an idea. If you want more money, simply change your thinking. Every self-made person started small with an idea, and then turned it into something big."

"The key to financial freedom and great wealth is a person's ability to convert earned income into passive and/or portfolio income."

"There are powers in this world that are much smarter than we are. You can get there on your own, but it's easier with the help of the powers that be."

THE MILLIONAIRE NEXT DOOR

The Surprising Secrets of America's Wealthy

THOMAS STANLEY AND WILLIAM DANKO

The Big "So What"

Many people dream of becoming millionaires, owning fancy cars, luxurious houses and enjoying a lavish lifestyle. In this book, Stanley and Danko present the surprising findings of how the majority of self-made millionaires truly live and build their wealth. In fact, you may be living next to a millionaire now and not even know it.

The findings are based on 20 years of research, including interviews and surveys of more than 500 millionaires and tens of thousands of high net-worth and/or high-income individuals in America. They explain the difference between income and wealth, how ordinary Americans became millionaires in 1 generation, and how you can apply these insights to accumulate your own wealth.

What does "Wealth" Really Mean?

Defining Wealth

Most people define wealth as having plenty of material possessions. However, a lavish lifestyle is merely a sign of high expenses and not necessarily wealth. The authors identify a "millionaire" as someone who owns significant assets (including cash, investments, appreciable assets), with a net worth of at least US$1 million. At the time of their study, only 3.5% of 100 million households in America fulfill this criteria.

- 80% of America's millionaires are **first-generation rich**, i.e. they accumulated their own wealth (and did not become rich due to a huge inheritance or windfall). This is evidence that wealth can be accumulated within one generation.

- Out of the millionaires surveyed, 95% have a **net worth of $1-10 million**, and this book focuses on this majority.

KEY QUOTES

"We have discovered who the wealthy really are and who they are not. And, most important, we have determined how ordinary people can become wealthy."

"Wealth is what you accumulate, not what you spend."

"(People) think millionaires own expensive clothes, watches, and other status artifacts. We have found this is not the case."

Contrary to popular belief, the process of accumulating wealth is not a flashy, rapid process, but a slow one that takes years. This is the typical profile of a wealthy, financially independent person from the study:

"(He is) a businessman who has lived in the same town for all of his adult life. This person owns a small factory, a chain of stores, or a service company. He has married once and remains married. He lives next door to people with a fraction of his wealth. He is a compulsive saver and investor. And he has made his money on his own."

Net Worth and Wealth Accumulation Behaviours

How much net worth should be expected, given your current age and income? Use this formula to calculate your **expected net worth:**

$$\frac{\text{Your Age} \times \text{Pre-tax Annual Household income*}}{10}$$

*(all sources of income except inheritances)

To know where you stand relative to your peers (given your age and income), look at your actual net worth versus your expected net worth. The authors compare those they call **PAWs (Prodigious Accumulator of Wealth)** and **UAWs (Under Accumulators of Wealth).**

A **PAW** is in the top quartile for wealth accumulation, and has twice the level of net worth expected for his age/ income level.

A **UAW** is in the bottom quartile, and has half the level of net worth expected.

PAWs usually have at least four times the amount of the wealth accumulated by UAWs. For example, if you are 50 years old with a total household income of $90,000, your expected net worth is $450,000 - A PAW in this case may have a net worth of $1 million, while a UAW may have a net worth of only $250,000.

From their research, the authors found that most self-made millionaires are PAWs, and they share 7 common denominators, which are outlined in this summary. Essentially, they live frugally, ensuring that they adhere to a strict household budget and invest prodigiously. They may not earn huge incomes, but they accumulate wealth by living well below their means.

KEY QUOTES

"Self-employment is a major positive correlate of wealth."

"It matters less how much more you make than what you do with what you already have."

Obviously, there are also millionaires who inherited their wealth, and/or earn such a high income that they have a net worth of over $1million after deducting their high expenses. However, they tend to be UAWs, living lavish lifestyles but feeling quietly insecure about sustaining it. Yet, the mass media tends to focus on such sensational, flashy lifestyles, shaping our mistaken perception of "how the wealthy live", and promoting the high-consumption culture that impoverishes many of our younger generation.

7 Denominators of Wealthy People

In essence, it doesn't matter how much you earn; it matters more how much you spend and invest relative to how much you earn. Here are the 7 common denominators of truly wealthy people.

1. Living well below your means

It is a myth that millionaires drive fancy cars, live in huge mansions in ultra-rich neighborhoods and wear designer clothes. Frugality was found to be a crucial foundation of wealth-building.

Most millionaires concurrently play offense when generating income, and defense when spending on consumer goods and services:

- Stanley and Danko were shocked to find that the decamillionaires (people worth at least $10 million) at their focus group interviews actually preferred soft-drinks, beer and club sandwiches to "premium foods" like pates, caviar and vintage wines.

- Most millionaires do not waste time and money buying expensive consumables like suits, shoes, watches, and motor vehicles. For example, half of the millionaires surveyed had never spent more than $235 for a wristwatch or more than $140 for a pair of shoes. They are also 6 times less likely to own a $1,000 suit (compared with corporate middle managers and professionals who earn high-incomes but also have high expenditures).

- They are typically supported by spouses who are often even more frugal than they are.

KEY QUOTES

"All too often young people are indoctrinated with the belief that 'those who have money spend lavishly' and 'if you don't show it, you don't have it'."

"Whatever your income, always live below your means."

"What are three words that profile the affluent? FRUGAL FRUGAL FRUGAL"

"Allocating time and money in the pursuit of looking superior often has a predictable outcome: inferior economic achievement."

"A couple cannot accumulate wealth if one of its members is a hyperconsumer."

Here 4 common practices of wealthy households:

They operate on an annual budget. By creating an artificial environment of economic scarcity, they keep themselves financially disciplined. Millionaires ensure that they pay themselves first, by investing at least 15% of their annual income before paying for other expenses like home, food clothes etc.

They know exactly how much and what the family spends each year. Because millionaires focus on becoming financially independent, they keep track of both their income and expenses. Being self-employed helps, as they can apply business budgeting principles to their own household. In short, a household that earns $600,000 and spends $100,000 is, in the long run, better off than a household that earns $2 million and spends $1.5 million.

They have clearly-defined daily, weekly, monthly, annual and lifetime goals. Hence, they tend to be more focused and goal-oriented.

They spend a lot of time planning for their financial future. Their financial independence did not happen by chance. It's the outcome of careful planning and consistently sacrificing high consumption today for financial independence tomorrow.

In short, most of these self-made millionaires became millionaires by budgeting and controlling their expenses. After becoming wealthy, they maintained their affluence through these sound practices. Similar to how people who are healthy tend to eat well and exercise regularly to maintain fit, wealthy people work hard to maintain their financial health. On the other hand, flashy households with six-figure annual incomes are not wealthy because of their earn-and-consume cycle.

2. Use Time, Energy and Money Efficiently

Time, energy, and money are finite resources, and wealthy people channel these resources efficiently to build wealth. They start earning and investing as early as possible in their adult life.

KEY QUOTES

"Few people can sustain profligate spending habits and simultaneously build wealth."

"Being a well-educated, high income earner does not automatically translate into financial independence. It takes planning and sacrificing."

"Too many high-income/ low-net worth types live from paycheck to paycheck, fearing a sudden downturn in our economy."

"Those who are wealthy work at staying financially fit. But those who are not financially fit do little to change their status."

"Efficiency is one of the most important components of wealth accumulation. Simply: People who become wealthy allocate their time, energy, and money in ways consistent with enhancing their net worth."

The authors found a negative correlation between education and wealth accumulation (for high-income earners with at least $100,000 annual income). Besides the opportunity cost of spending additional time in college, professional school or graduate school, these educated high-income earners are often socialized into a consumption culture and become UAWs.

PAWs generally allocate almost twice the number of hours than UAWs each month toward financial planning (e.g. consulting with investment advisors, accountants etc.). Although UAWs worry about their economic well-being, they do not take the same disciplined actions as the PAWs (e.g. curbing consumption or investing before spending).

How do PAWs plan and manage their finances and wealth?

They know exactly how much their family spend on every category of product and service. Even though they are price conscious, they often invest in accounting or advisory services to plan and manage their expenses, with the goal of freeing up at least 15% of their pre-tax income each year for investments. 95% of the millionaires surveyed own stocks; however, they are typically investors, and not speculators who follow the stockmarket fluctuations closely.

They don't squander their resources. Instead of spending time, energy and money shopping for luxury items or even hunting for great bargains, PAWs divert their focus to learning about the various investment options and market offerings. Rather than waste time and energy worrying about their finances, they actually manage expenses, invest time and take action for their planning and investments.

They minimize their "realized income". You can only spend when you have "realized income" which is taxable, i.e. every dollar you earn to spend is first discounted by the taxman. To build wealth, minimize your realized income and maximize your unrealized income (i.e. appreciable assets without a cash flow).

KEY QUOTES

"Remember, wealth is blind. It cares not if its patrons are well educated."

"UAWs spend more time worrying about these (financial) issues than taking proactive steps to change their tendencies to overconsume and underinvest."

"Operating a household without a budget is akin to operating a business without a plan, without goals, and without direction."

"There is an inverse relationship between the time spent purchasing luxury items such as cars and clothes and the time spent planning one's financial future."

"A couple cannot accumulate wealth if one of its members is a hyperconsumer."

3. Financial Independence, Not Wealth Artifacts

Wealthy people prioritize achieving financial independence over displaying a high social status. In fact, they recognize that many status artifacts can be a burden or hindrance to their financial goals.

More than half the millionaires interviewed never paid more than $30,000 for a motor vehicle, and most never spent near $65,000 for one. The average millionaire in the book drove a second hand, American-built large family car, the Aussie equivalent being a Falcon, Commodore or maybe a similar four-wheel drive.

Most millionaires have lived in the same neighborhood for generations. It's much easier to accumulate wealth if you don't live in a high-status neighbourhood. Stanley and Danko advise that, if you're not yet wealthy (but want to be), do not buy a home that requires a mortgage of more than twice your household's total annual realized income.

Most PAWs love what they do and how they live. They don't change their lifestyles nor values when they become affluent. UAWs on the other hand tend to work only because they need to support their lifestyle and spending habits. Hence, despite their seemingly boring and simple lifestyles, these financially independent people are actually happier than their UAW counterparts with a high-consumption lifestyle but no financial security.

4. No "Parental Economic Support"

It is common for parents and grandparents to offer economic gifts and "acts of kindness", such as paying for the children or grandchildren's private school tuition fees, home mortgages, or transferring income-producing real estate or securities to their adult children. In the book, the authors refer to these as "Economic Outpatient Care" or EOC.

More than 46% of the affluent in America give at least $15,000 worth of EOC annually to their adult children and/or grandchildren.

While they do so to improve their children's living circumstances, or to give their grandchildren a strong foundation, they may

KEY QUOTES

"If your goal is to become financially secure, you'll likely attain it.... But if your motive is to make money to spend money on the good life... you're never gonna make it."

"It's much easier...to earn a lot than it is to accumulate wealth."

"There are some things that are more fun to do...more interesting to do [than owning a Rolls]."
- One of the millionaires surveyed

unintentionally create economic dependency. After all, it's much easier to spend other people's money than your own.

However, not all EOCs are bad – the key is to ensure your gifts strengthen your children's foundations for financial independence, rather than encourage consumption beyond their means.

Millionaires whose offsprings grow up to be UAWs typically make the mistake of subsidizing their adult children's lavish lifestyle. Cash gifts that are intended for consumption often prop up an otherwise-unsustainable lifestyle, encourage unproductive behaviour and the development of poor financial habits.

If your adult children cannot afford an expensive house in a premium district, you may feel tempted to help them with their down-payments or mortgages. Besides the housing costs, there are also unnecessary expenses associated with such neighourhoods e.g. higher cost of goods and services, pressure to send the children to private schools or to display artifacts of wealth. They will inevitably learn to live beyond their means.

Research shows that gift receivers are more likely to turn to credit for short-term cashflows, and generally invest less than non-receivers. They are not sensitized to the real cost of living and have a distorted perception of the value of money and poor financial discipline. For example, a $10,000 tax-free cash gift is equivalent to 8% returns from $125,000 of investments – which means $125,000 of capital that your child never had to save. Worse still, many of them consider themselves to be self-made: they do not realize how far their parents' EOC has been assisting them and feel that their lavish lifestyle was self-earned. Once these cash gifts are withdrawn, they are unable to cope with their own finances.

Instead, millionaires whose children become PAWs teach their children how to fish, as elaborated in the next segment.

5. Nurture Self-sufficient Adult Children

Most affluent, well-informed parents would want to progressively reduce the size of their estate before they pass away, so they can share the wealth with their children without leaving them with a

KEY QUOTES

"Cash gifts are too often earmarked for consumption and the support of an unrealistically high lifestyle... giving of such gifts is the single most significant factor that explains lack of productivity among the adult children of the affluent."

"In general, the more dollars adult children receive, the fewer they accumulate, while those who are given fewer dollars accumulate more."

huge estate tax liability. They would likely have been advised to minimize estate taxes via annual gifts to their children.

Yet, as mentioned earlier, there's an inverse relationship between the economic success of the offspring and the amount of EOC and inheritance received. In fact, the most productive offspring of millionaires received no economic gifts at all from their parents.

After examining a range of "good" and "bad" case studies, the authors summarise how wealthy people raise economically successful offspring:

- **They do not tell the children that they are wealthy.** Many of the first-generation millionaires are so frugal that their PAW children don't know they are wealthy. They ensure the children demonstrate maturity, discipline, an established lifestyle and profession first before revealing their affluence (e.g. disbursing cash gifts from their trusts only when the children are 40 years old). They never openly discuss what the children or grandchildren will inherit or receive.

- **They inculcate the right values and thinking.** Regardless of their affluence, they lead by example to instill discipline and frugality in their children. They reinforce that there are more valuable things than money in life, and focus on their children's achievements (no matter how small) instead of symbols of success. They also help their children to deal with their weaknesses (rather than trying to protect them from failure). They understand that when you are the best in your field, the money will follow.

- **They nurture their children as unique individuals,** and avoid using economic gifts to "equalize" them (e.g. supporting the weaker children through cash gifts). They don't "compete" with their children, nor impose their vision or ideals on their adult children. In fact, they may seek the recipients' agreement before dishing out substantial gifts. Instead of directly subsidizing their children's lifestyle through cash gifts, they may invest in the right education, provide gifts to help them start or enhance a business, or even give private stock which cannot be readily cashed out for luxury purchases.

KEY QUOTES

"Many parents still think that their wealth can automatically transform their children into economically productive adults They are wrong. Discipline and initiative can't be purchased like automobiles or clothing off a rack."

"Teach your children to achieve, not just to consume. Earning to enhance spending should not be one's ultimate goal."

"Be tough ... life is. In other words, there is no promise of a rose garden."

6. Leverage Market Opportunities

The affluent surveyed in this book – especially the self-made ones - accumulate wealth because they actively target and pursue market opportunities. Although they are price-sensitive about consumer products and services, they invest in relevant services like investment, accounting, tax and legal services, medical and dental care. Business owners also purchase business-related products and services. Often, those who supply such services to the affluent also become wealthy.

With the rising amount of affluence in America, there will be huge business opportunities for those who target the affluent, the children of the affluent, and the widows of the affluent. Some examples include finance and legal services (e.g. estate attorneys, tax and accounting services), immigration specialists, medical and dental care specialists (e.g. dermatologists, plastic surgeons, chiropractors), asset liquidators and appraisers (to evaluate gifts e.g. gems, antiques, art/ coin/ other collections etc.), educational professionals, housing specialists (e.g. home building contractors, mortgage brokers).

7. Choose the Right Vocation

Most of the affluent in America are business owners, including self-employed professionals.

- The most successful business owners all enjoy what they do. They take pride in overcoming their fears and challenges in business, set high standards, and demonstrate great discipline. Their success in business also helps many of their employees and investors to become wealthy. Hence, Stanley and Danko find it offensive when people claim they can "teach" others to become wealthy quickly through simplistic business home-study kits.

- However, less than 20% of these successful business owners pass their businesses to their children. Many even advise their children against business. This is because they understand that businesses come with risks, including changing consumer and market trends, competition and regulations. Instead, many of the millionaires advise their children - especially if their children are academically inclined - to become self-employed professionals, e.g. doctors, attorneys, architects.

KEY QUOTES

"We believe that in the next twenty years, the affluent will have to use every option within the law to remain affluent. It is a segment of our economy that will be under siege by the liberal politician and his friend, the tax man."

"The character of the business owner is more important in predicting his level of wealth than the classification of his business...it's not the kit, not the idea, not the industry."

"Courageous people, entrepreneurs, recognize the fear in what they are doing. But they deal with it. They overcome their fears. That's why they are successful."

- While there was no clear predictor of which types of business generated more millionaires, most of the affluent business owners interviewed were in "dull" but stable businesses.

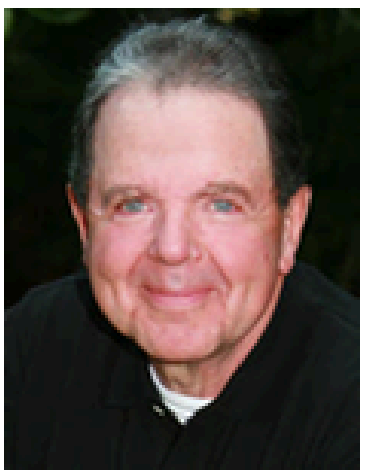
In short, the average people next door became millionaires because they chose the right occupation, faced their fears courageously and handled their money well with great financial discipline and frugality. These were what made them the millionaire next door.

Other useful details in the book to look out for

This book was first published in 1995, and the business and societal landscape has obviously changed significantly in today's internet age. However, these findings are a powerful reminder of how the average person can become a millionaire through a few (timeless) disciplines and principles, and how accumulated wealth can easily be lost by those who inherit them.

The book is presented mainly through examples and excerpts of the authors' numerous interviews and surveys, giving the reader good insights into how the first-generation self-made millionaires think and make their decisions. The book also includes numerous tables and statistics, breaking down the income and expenditure amounts, time allocation, mean earnings, types of businesses etc. associated with the millionaires studied.

About the Authors

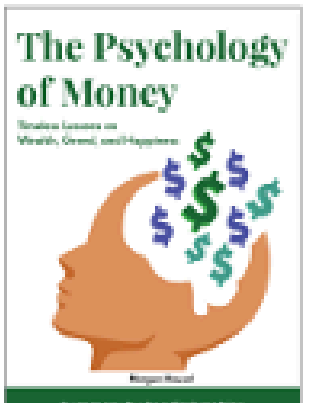


Dr. Thomas J. Stanley (1944-2015) was an American writer and business theorist. He received a doctorate in business administration from the University of Georgia, and was on the faculty of the University at Albany, State University of New York. He taught at the University of Tennessee, University of Georgia and Georgia State University (where he was named Omicron Delta Kappa's Outstanding Professor).

KEY QUOTES

"Courageous people, entrepreneurs, recognize the fear in what they are doing. But they deal with it. They overcome their fears. That's why they are successful."

"Dull companies with steady earnings growth may not make for stimulating cocktail party chatter, but over the long term they make the best investments"
- Meeks & Fomdiller, Forbes



THE PSYCHOLOGY OF MONEY

Timeless Lessons on Wealth, Greed, and Happiness

MORGAN HOUSEL

The Big "So What"

Many finance books focus on the technical aspects of money and investment, e.g. how to select stocks or build a portfolio. In this book, Housel addresses the often-neglected fact that we are irrational, emotional beings, not ROI-optimizing machines. Your financial success depends more on your soft skills (how you manage your psychology and emotional impulses) than your technical skills on financial analyses, market rules/laws.

Introduction

Housel has been writing about finance since 2008. Through his research, he realized that luck and human behaviors play a much bigger role in determining one's financial success than spreadsheets and analyses.

- For example, gas station attendant and janitor Ronald James Read managed to amass $8 million over his lifetime by saving what he could and investing his money steadily in blue chip stocks. By contrast, Harvard graduate and Merrill Lynch executive Richard Fuscone went bankrupt during the 2008 financial crisis after spending extravagantly and borrowing heavily.

In this book, Housel shares his discoveries, beliefs and approach to money. Through a series of short stories and chapters, he presents 18 related biases, flaws, behaviors or attitudes that affect your financial outcomes. These jointly make up the psychology of money.

KEY QUOTES

"Soft skills are more important than the technical side of money."

"Physics isn't controversial. It's guided by laws. Finance is different. It's guided by people's behaviors."

"Doing well with money has a little to do with how smart you are and a lot to do with how you behave."

"Financial success is not a hard science. It's a soft skill, where how you behave is more important than what you know. I call this soft skill the psychology of money."

Understanding the Psychology of Money

In this section, we've organized the 18 overlapping concepts into 3 main themes.

Know Your Gaps, Limitations And Biases

We think we know how the world works, but our worldview is actually very limited. Each of our personal experiences reflect just a tiny fraction of the collective human experience over the generations.

- Our worldview is shaped by our life experiences. So, people from different generations, background and life experiences *perceive money differently*. Someone who grew up with poverty/starvation will interpret "risks" and "rewards" differently from someone from a wealthy family who never had to worry about money. Someone who survived WWII or lived through a recession would see money in a different light from someone who grew up in a stable economy.

- Others' financial decisions may seem crazy to you, but it makes perfect sense to them. You'll never understand someone's *financial insecurities* just by reading about it; you must experience it personally to fully grasp it.

- Although money has been around for thousands of years since 600 BC, most of our *modern investment/ financial tools* are actually very new. For example, USA's 401(k)—the backbone of their retirement planning—was introduced in 1978, and the Roth IRA was added only in 1998. Even index funds were developed only in the 1970s. We've only had <50 years to master these new tools/concepts, making us collectively inexperienced in the modern money game.

We always have incomplete data on a situation. Yet, we don't realize what we don't know because our brains create stories to fill the gaps.

KEY QUOTES

"We all think we know how the world works. But we've all only experienced a tiny sliver of it."

"Every decision people make with money is justified by taking the information they have at the moment and plugging it into their unique mental model of how the world works."

"People do some crazy things with money. But no one is crazy."

"Your personal experiences with money make up maybe 0.00000001% of what's happened in the world, but maybe 80% of how you think the world works."

- This gives us an *illusion of understanding, certainty and control*, which is psychologically comforting but leads to bad decisions:

  (i) During planning, we focus on what we can/want to do, neglecting other factors beyond our control.

  (ii) We over-emphasize the impact of our skills and discount the role of luck or random events.

  (iii) We become overconfident of our beliefs and knowledge. Even historians' accounts of history are biased because they look for facts and interpretations that confirm their opinions.

- Such stories are powerful enough to *drive the economy*. During a market bubble, people keep buying because they tell themselves that prices will keep rising. When the bubble bursts, people pull out of the market and tell themselves the future is bleak.

- Realize how much you don't know and can't control, and *beware the stories you tell yourself*. If you want something to be true, you're more likely to believe a story that exaggerates its probability. Just because you *want* your investment to double in 1 year doesn't make it more likely to happen. In reality, from 2008-2017, 85% of active mutual funds fell short of their benchmark.

We tend to over-emphasize skills and effort, when outcomes are often influenced more by **luck and risk**.

- No success/failure is purely due to *hard work or sound decisions*. Your circumstances define the opportunities available to you. Every action you take also has unintentional ripple effects. Take Microsoft for example. Bill Gates was smart, hardworking, and had a rare affinity with computers. However, he was also lucky to attend one of the only high schools in his time with a computer (which Housel estimates to be a 1 in a million chance). Gates eventually co-founded Microsoft with his classmate Paul Allen. They had a close friend, Kent Evans, who shared their skills and passion with computers. Yet, Evans wasn't a part of Microsoft because he died on a mountaineering accident, another rare event. Both Gates and Evans were smart and loved computers, but they fell on 2 extreme ends of luck and risk.

KEY QUOTES

"The illusion of control is more persuasive than the reality of uncertainty."

"Hindsight, the ability to explain the past, gives us the illusion that the world is understandable."
—Daniel Kahneman

"The more you want something to be true, the more likely you are to believe a story that overestimates the odds of it being true."

"The accidental impact of actions outside of your control can be more consequential than the ones you consciously take."

"Realize that not all success is due to hard work, and not all poverty is due to laziness."

- Luck and risk exist in every situation. *To be more objective*:

  (i) Don't draw conclusions from extreme examples, since they're likely to be strongly influenced by luck/risk and hard to replicate. Look for *broader patterns* across many cases. For example, it's hard to be the next Warren Buffett, but it's much easier to achieve time and money freedom.

  (ii) Remember: *things are never as good or as bad as we think*. Don't be too quick to judge people, including yourself. Nothing (e.g. hard work, pride) is 100% good or bad. When things are going well, know that you're not invincible. When things are going badly, know that you're not a disaster.

A small number of events influence the bulk of our outcomes.

- A handful of *unexpected outlier events*, e.g. WWII, the invention of antibiotics or the internet, can change the course of history.

- We often hear about things that're unusually big, profitable or impressive. Such mega-successes are actually extremely rare and *we underestimate how often things/people fail*. For example, Disney made >400 loss-making cartoons before making a windfall with Snow White and the Seven Dwarfs. Heinz Berggruen amassed lots of art pieces, of which only a small portion turned out to be prized assets. Venture capitalists lose money with most of their investments, but recoup their earnings from the top 3-4% of startups.

- *Don't over-react to failures*. You can be wrong about half your investments and still make lots of money. If you consistently invest small amounts of money over a long time regardless of market conditions, you'll outperform the majority of people who pick stocks or move their investments in/out of the market.

History can help us to learn what worked/didn't work, and how to manage our expectations. However, past data/ trends cannot accurately predict the future.

- That's because historical data cannot capture:

KEY QUOTES

"The world is too complex to allow 100% of your actions to dictate 100% of your outcomes."

"Nothing is as good or as bad as it seems."
—Professor Scott Galloway

"Long tails—the farthest ends of a distribution of outcomes—have tremendous influence in finance, where a small number of events can account for the majority of outcomes."

"A good definition of an investing genius is the man or woman who can do the average thing when all those around them are going crazy. Tails drive everything."

"Historians are not prophets."

(i) Changes in people's *stories and preferences*, which drive their financial decisions;

(ii) *Outlier events* (e.g. WWII, the 2008 financial crisis) which are recording-breaking, with no precedents and no way to predict their details or ripple effects.

(iii) *Structural changes* in societies and economies that disrupt past trends/norms. For example, business financing, accounting rules, and hiring practices have changed drastically in the last 50 years. Changes like the internet, venture capital and crowd-funding have also made many old business practices obsolete.

- So, the farther the historical analyses, the more generic the conclusions must be.

Pessimism is more prevalent, but there's cause for optimism.

- Bad news and forecasts of doom/disaster are more *attention-grabbing*. The world seems worse than it is because:

(i) The news media play up bad news more than good ones.

(ii) It's human nature to react more dramatically to potential losses/threats than to potential gains/ opportunities.

(iii) We notice setbacks/disasters more as they may happen overnight from a single point of failure, whereas growth/ progress tends to happen gradually. The invention of airplanes over the years changed history, yet it's not as sensational as a plane crash that killed everyone on board.

- In reality, *things are getting better in the long run*. Optimism is the belief that you have a good chance of positive outcomes in the long term despite short-term setbacks.

(i) Analysts and experts tend to make pessimistic forecasts based on current trends, without taking into account new *innovations and market adaptations*.

(ii) Human beings are *resilient and innovative*. Pain and problems motivate us to come up with new, novel

KEY QUOTES

"This is not a failure of analysis. It's a failure of imagination."

"The correct lesson to learn from surprises is that the world is surprising."

"Optimism sounds like a sales pitch. Pessimism sounds like someone trying to help you."

"Progress happens too slowly to notice, but setbacks happen too quickly to ignore."

solutions. In the 1970s, it was forecasted that we'd run out of oil given our consumption levels and the rapid population growth. Yet, this didn't happen because we improved fuel-efficiency and developed innovative ways of fuel-extraction. Japan was in ruins at the end of WWII, yet it managed to recover strongly.

We're not computers or spreadsheets. We're human beings with irrational feelings. So, don't try to be coldly rational in your financial decisions; it won't work. Instead, aim to be mostly reasonable, taking into account your human tendencies.

- In theory, you should go for riskier investments when you're young, since you'll still have time to start afresh if you lose everything. But in reality, if you lose everything, you'll probably quit and switch to another strategy.

- Your historical odds of positive returns in the U.S. markets are 68% in 1 year, 88% in 10 years, and 100% in 20 years. Instead of trying to beat the market through short-term speculations, you're better off if you can stick around long enough for your investments to pay off.

Adopt a Survival Mindset and Leverage Compounding

Warren Buffett may be a brilliant investor, but his biggest secret isn't his investment strategy or formula; it's time. Unlike most people, he started investing when he was 10 years old, so by the time he was 30 (when most people start investing), he already had a net worth of $1 million. Even so, $81.5 billion of his $84.5 billion net worth came after his 65th birthday. *That's* the power of compounding and time.

- Scientists now estimate that there were 5 ice ages in Earth's history (not just one). They theorize that a small sliver of ice left over from a cool summer is enough to trigger *compounded changes* in global temperatures to cause an ice age.

- Compounding only works if you can give an asset years to grow, like an oak tree slowly reaching maturity. You don't need high returns; you need *decent and consistent returns*.

KEY QUOTES

"Aiming to be mostly reasonable works better than trying to be coldly rational."

"Investing has a social component that's often ignored when viewed through a strictly financial lens."

"Time is the most powerful force in investing."

"If something compounds—if a little growth serves as the fuel for future growth—a small starting base can lead to results so extraordinary they seem to defy logic."

(i) Don't take big risks in hope of getting the highest-possible returns. Go for decent returns that can be sustained over a long time.

(ii) Extend your time horizon: start as early as possible, and wait for the money to grow.

Getting wealthy ≠ Staying wealthy.

- There're many ways to acquire money, most of which require you to take some risks. However, once you have the money, the only way to keep it is through a blend of *frugality and caution*. Realize that you may not be able to replicate your earlier success, and could easily lose the money you have. So, be as frugal and cautious as possible. After all, there are very few things worth the risk of wiping yourself out.

- Adopt a *survival mindset* by doing 3 things:

(i) Aim to be *financially unbreakable* so you can stick around long enough for compounding to work. Remember: you don't need high returns; you just need consistent and uninterrupted returns over a long period of time.

(ii) Expect that things won't go according to plan. Build in a *margin of error* and always live within your means.

(iii) Have a *barbelled personality*: be optimistic about the future, yet paranoid about the obstacles that could get in the way.

No matter how thorough your plans are, things will still turn out differently. So, always plan based on probabilities (not certainty) and include a margin of safety. This will prepare you for a wider range of outcomes. In Microsoft's earlier days, Bill Gates aimed to set aside a full year's payroll as a financial buffer. Likewise, Warren Buffett always ensures that Berkshire Hathaway has more than ample cash.

- Cater for *volatility* in your investment plans. For example, can you survive (both technically and emotionally) if your assets fall by 30%?

- In your retirement plans, build some buffers into your *expected returns*. You can aim for 8% return rates, but

KEY QUOTES

"Getting money is one thing. Keeping it is another."

"There's only one way to stay wealthy: some combination of frugality and paranoia."

"Good investing is not necessarily about making good decisions. It's about consistently not screwing up."

"The most important part of every plan is planning on your plan not going according to plan."

"The first rule of compounding is never interrupt it unnecessarily."
– Charlie Munger

make sure you'll be ok with just 4%. To be conservative, Housel assumes that his long-term returns will be a third lower than historical rates.

- Never gamble with every dollar you have. Even if something has a 98% chance of success, you still face a 2% risk of failure. Adopt a *barbelled approach* to money by setting aside a portion of your funds for riskier investments, and safeguarding the rest.

- To minimize the damage from potential disasters, avoid *single points of failure*, such as having a single source of income.

- Set aside some *rainy-day funds* or savings for unexpected events.

Everything has a price, though not necessarily in monetary terms. **Be willing to pay the price** for financial success.

- Market returns don't come for free. Higher returns tend to come with higher risks—and with it, the price of *uncertainty, doubt and potential regret*. When you invest for the long term, you must be prepared to accept short-term market fluctuations.

- Think of market volatility as a *fee for investment*, not a loss, fine or penalty. After all, we willingly pay for good food, cars, houses and vacations. Why not pay a fee for good investment returns?

Know and Focus on your Financial Goals

One of the hardest things to do is to **stop shifting your goalpost**. We hear of people who already have unimaginable amounts of wealth, power and prestige, yet end up in ruin because they allow greed to get the better of them.

- *Don't compare with others* since there'll always be someone who has more than you. If your ambition and expectations continually outgrow your satisfaction levels, you'll never be happy.

- *Enough ≠ too little*. The opposite of "enough" is to be insatiable to the point of regret. Know when to stop

KEY QUOTES

"You should be risk loving and yet completely averse to ruin."
—Nassim Taleb

"Everything has a price, but not all prices appear on labels."

"Define the cost of success and be ready to pay for it. Because nothing worthwhile is free."

"The hardest financial skill is getting the goalpost to stop moving."

"Happiness, as it's said, is just results minus expectations."

pursuing more. There's no point losing what you have (e.g. reputation, freedom, love, happiness) for what you don't need.

Studies have found that the most important factor behind people's happiness is the sense of control over one's life, not material factors like the size of their salary, house or status.

- Money is important not because it allows you to buy luxury goods, but because it has the potential to buy you *time and the freedom of choice*. Being independent doesn't mean you must stop working. It simply gives you the flexibility to choose what work to do, when you do it and with whom you do it with. The highest level of wealth is the ability to choose what you want to do when you wake up each morning.

People seek wealth and status to signal how successful they are. Ultimately, what they want is others' respect and admiration.

- Unfortunately, *you won't gain respect by flaunting your wealth*. We may admire a nice car and imagine how cool it'd be if we could drive that car, but we don't notice the drivers. People will envy your possessions, not you. The best way to be liked, respected and admired is to be kind, humble, and empathic.

People want to be millionaires because they want to spend a million dollars. Yet, spending a million dollars is literally the opposite of being a millionaire, since wealth = the amount of money you don't spend.

- Know the *difference between being "rich" vs "wealthy"*:

  (i) Rich people have high incomes, and they spend it on big homes and fancy cars. Their display their buying power.

  (ii) Wealthy people keep their money, and use it to increase their options and buying power in the future.

- To be wealthy, you need the *discipline to focus on your longer-term goal*. Resist the temptation to spend the money now, either to flaunt it or to enjoy something immediately.

KEY QUOTES

"There's no reason to risk what you have and need for what you don't have and don't need."

"The ability to do what you want, when you want, with who you want, for as long as you want, is priceless. It is the highest dividend money pays."

"No one is impressed with your possessions as much as you are."

"The only way to be wealthy is to not spend the money that you do have...it's the very definition of wealth."

"Spending money to show people how much money you have is the fastest way to have less money."

Your savings rate matters more than your income or investment returns, and it's fully within your control. Someone who earns $20,000 but saves/invests $5,000 will be much wealthier than someone who earns $100,000 and saves/invests $1,000.

- The best way to increase your savings is to *decrease your ego*. The most financially-resilient people don't earn the most; they simply don't waste money to impress others.

- Don't save money just to buy a house or car; *save as a good habit*. More savings mean more money to compound, more flexibility/control over your time, and more financial buffers during tough times, e.g. you can hold on to your investments or wait for better opportunities instead of being forced sell them out of desperation.

Our dreams, priorities and personality will change we age and experience life. What we want and need today will not be the same as what we want and need in 10, 30, or 50 years.

- In your financial planning, *avoid the extremes*, e.g. don't assume you'll be ok with very low income, or to work long hours for more money.

- *Accept that your priorities will change*. Don't allow sunk costs (past efforts or investments) to tie you to the past. Accept that you've changed your mind, and move on.

- Leverage the power of compounding in all aspects of your life. At every point in your life, consistently *invest in the things that matter* to you, e.g. set aside some savings, time for yourself and with your loved ones.

Someone who's investing with a 30-year horizon should approach the market differently from someone with a 1-year or even a 1-day horizon. Don't blindly follow others, since they may be playing a totally different financial game than you.

- *Market bubbles* occur partially because people take financial cues from others. Many "investors" are actually speculators hoping to make a quick buck. Short-term traders (e.g. people doing same-day stock-trading) are attracted by short-term momentum. As more of such traders enter a market, bubbles start to form. Once the

KEY QUOTES

"Past a certain level of income, what you need is just what sits below your ego...Less ego, more wealth."

"Building wealth has little to do with your income or investment returns, and lots to do with your savings rate."

"Long-term planning is harder than it seems because people's goals and desires change over time."

"Beware taking financial cues from people playing a different game than you are."

"Bubbles aren't so much about valuations rising. That's just a symptom of something else: time horizons shrinking as more short-term traders enter the playing field."

momentum is lost, these traders will exit the market. Long-term investors will suffer if they follow suit.

- Most *analysts'* stock recommendations are also made without considering your personal investment goals. When you see a doctor, you'd expect him to do a proper diagnosis before recommending a treatment. Likewise, only consider financial advice tailored to your financial goals.

- *Get clear on the game you're playing*. To stay focused, try writing down a mission statement for your investments. For example, Housel's statement was: "I am a passive investor optimistic in the world's ability to generate real economic growth and I'm confident that over the next 30 years that growth will accrue to my investments."

KEY QUOTES

"There is no single right answer; just the answer that works for you."

Putting it Together

Here's a quick recap of the key ideas which we've consolidated into the 3 sections above:

Chapter title in the book	Key idea
No one's crazy	People have different views about money
Luck & risk	Luck/risk have a bigger impact than skills
Never enough	Learn to stop shifting the goalpost
Confounding compounding	Leverage the power of compounding
Get wealthy vs. Stay wealthy	Getting wealthy ≠ staying wealthy
Tails, you win	Be ok with failures—they're the norm
Freedom	Freedom is invaluable
Man in the car paradox	Money doesn't buy respect
Wealth is what you don't see	Riches are displayed; Wealth is hidden
Save money	Less ego → more savings
Reasonable > rational	Be reasonably sensible (not coldly rational)
Surprise!	The past doesn't predict the future
Room for error	Have a margin of safety
You'll change	Expect your future self to change
Nothing's free	Be willing to pay the price for success
You & me	Know and play your own game
The seduction of pessimism	There's cause for optimism (in the long run)
When you'll believe anything	Beware your stories

There's usually a gap between what people advise you to do and what they'd do themselves. Housel ends off by sharing his family's financial approach. In a nutshell:

- They only have *1 main financial goal: independence* or the ability to do what they want on their own terms. They're contented with a decent house, a car, and a modest lifestyle. As their income increased over the years, they saved most of it because they were already comfortable with their lifestyle. They enjoy free/low-cost activities like exercising and reading, and don't see the need to spend money to impress others. In short, they stopped moving their goalpost.

- In fact, they bought their house without a mortgage. This makes no financial sense, but it gives them a *peace of mind* which they value above all else. Housel also maintains 20% of his assets (besides his home) in cash as a safety net.

- Housel started out as a stock-picker but no longer invests in individual stocks. All his stock market investments are now in *low-cost index funds*. So long as he's financially independent, he doesn't care whether he beats the market or maximizes his returns.

The approach above works for Housel, but it may not work for you. The key is to get clear on your own goals, design your own game accordingly, and manage your relationship with money so you can have a happy and fulfilling life.

Other Details in the Book to Look out For

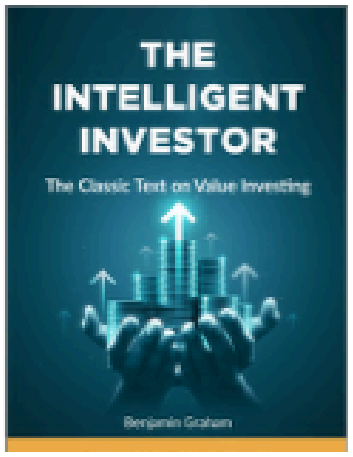
Housel presents short stories and empirical research to explain each of the overlapping concepts above. The book also includes a postscript about why consumers in the USA think the way they do. For more details and articles by Housal, please visit www.collaborativefund.com.

KEY QUOTES

"Cash is the oxygen of independence."

"Having more control over your time and options is becoming one of the most valuable currencies in the world."

"Every investor should pick a strategy that has the highest odds of successfully meeting their goals."



THE INTELLIGENT INVESTOR

The Classic Text on Value Investing

Benjamin Graham

The Big "So What"

This book is considered a bible in the world of value investing. It provides invaluable insights on adopting a disciplined, rational investment approach, to focus on the intrinsic value of a company instead of market speculation.

What's Intelligent Investing?

Warren Buffett is well-known for his concept of value investing, which originated from Graham's teachings on **intelligent investing**. This is not about having a high IQ or mastering financial techniques, but having the knowledge, principles and mindset to be an astute investor. The goal is not to beat the market or to get rich overnight, but to build wealth in a steady, consistent way.

Although Graham first published this book decades ago, the **timeless principles** remain relevant today.

- In this summary, we've streamlined and organized the content into *3 sections*:

  (i) Foundational Principles of Intelligent Investing;

  (ii) The 2 Investment Pathways; and

  (iii) Other Investment Insights.

KEY QUOTES

"The purpose of this book is to supply, in a form suitable for laymen, guidance in the adoption and execution of an investment policy."

"Sound investment principles produced generally sound results. We must act on the assumption that they will continue to do so."

Foundational Principles of Intelligent Investing

Invest, Don't Speculate

There's a major difference between investment and speculation.

- An *investment* is based on robust analysis, with the goal to preserve your principal and obtain sufficient returns in the long term. For example, you may buy a stock after analyzing the company's financial health and future potential.

- Anything that's not an investment is a *speculation*, such as buying a trending stock in hopes that its price will go up, or acting based on an unverified "tip".

- The *goal of intelligent investing* isn't to outperform the market every year. It is to:

  (i) Achieve steady, positive returns over time; and

  (ii) Preserve your principal by avoiding severe losses. If you lose $90,000 out of $100,000 investment capital, you'd need returns of 900% just to recoup your initial amount.

Speculation isn't "bad". The danger lies in confusing speculation and investment—to think you're investing when you're speculating and exposing yourself to unnecessary risks.

- If you wish to try your hand at speculation, Graham recommends *keeping separate accounts*: one for genuine investments and a smaller account for speculative activities. This limits losses from speculations, and keeps you from muddling your investment strategy with speculative bets.

Focus on Real Returns After Inflation

Inflation erodes your money's purchasing power over time. If your investment returns are lower than inflation rates, you are effectively losing wealth.

- Imagine you have $100, and inflation is 5% per annum. In a year, even if your money grows to $102, its purchasing

KEY QUOTES

"If you've failed at investing so far, it's not because you're stupid...It's because...you haven't developed the emotional discipline that successful investing requires."
— Jason Zweig

"If you want to speculate do so with your eyes open, knowing that you will probably lose money in the end."

"Never mingle your speculative and investment operations in the same account, nor in any part of your thinking."

power is only comparable to $95 from the previous year due to inflation. So, you've actually lost value in real terms.

Assets (e.g. bonds, stocks, property) may be used to hedge against inflation, i.e. build an asset portfolio whose value appreciates more than the rate of inflation in the long run. To this end, Graham discussed different types of assets:

- *Bonds and fixed-income instruments*: Bonds are loan agreements between a lender and an entity (e.g. government or company). They guarantee periodic interest payments and the return of your principal at a specified maturity date. Bonds are typically seen as a safe form of investment. However, their returns may be lower than inflation rates during periods of high inflation, leading to negative real returns.

- *Stocks, shares, or equity*: These represent ownership in a company. They give you a claim on a portion of the company's assets and earnings, and may come with dividends as a share of company profits. Historical data suggests that stocks tend to outperform inflation in the long term.

- *Other tangible assets* (e.g. real estate, gold, or collectibles) can also retain value during inflationary times. Like all investments, they come with their own risks, e.g. gold doesn't provide ongoing income and may incur storage costs, while the prices for artwork can be unpredictable.

It's impossible to predict the rate of inflation or the future performance of any asset class. So, the best way to counter inflation is to have a diversified portfolio with various assets, and to regularly review and adjust your portfolio.

- Always think in terms of real returns, i.e. returns after accounting for inflation. If your investment returns are 7% and inflation is 5%, your real return is just 2%. To grow your wealth, you need investments with *positive real returns*.

- *Stay vigilant*: regularly assess the economic landscape and adjust your strategy to address changes in inflation rates.

KEY QUOTES

"Just because of the uncertainties of the future the investor cannot afford to put all his funds into one basket."

Understand the Stock Market History

A good investor should understand the history and performance of financial markets. In the book, Graham analyzed a century of stock market data, emphasizing the need to understand (i) price fluctuations, and (ii) the relationship between stock prices, earnings and dividends.

- From 1871-1971, the stock market went through several highs (e.g. the Roaring Twenties) and lows (e.g. the Great Depression), punctuated by short-term volatility. Investors should expect such *cycles and fluctuations*, and realize that it's hard to predict short-term market direction. For example, back in 1927, it was nearly impossible to foresee whether the market would rise or fall.

- In the long-term, the market showed a *general upward trajectory* to provide solid returns. Graham attributed this to a combination of 3 things: (i) inflationary growth, (ii) real growth in companies' earnings and dividends, and (iii) speculative growth linked to people's appetite for stocks.

  (i) While *inflation* affects stock appreciation, it's not a key driver. For a true measure of their returns, investors should adjust for inflation.

  (ii) A bigger driver was the *real growth* in companies' earnings and dividends. Dividends, especially when reinvested, played a major role in compounding growth.

  (iii) Stock prices can fluctuate wildly due to *irrational speculation*, often bearing no relation to the stock's intrinsic value.

KEY QUOTES

"Prudence suggests that [the investors] have an adequate idea of stock-market history, in terms particularly of the major fluctuations in its price level and of the varying relationships between stock prices as a whole and their earnings and dividends."

"The only thing you can be confident of while forecasting future stock returns is that you will probably turn out to be wrong."
—Jason Zweig

- In sum, markets experience ups and downs, but they generally yield positive returns in the long haul. This presents a few *takeaways for investors*.

  (i) Given the long-term market uptrend, it makes sense to adopt a consistent, long-term investment strategy.

  (ii) Short-term market fluctuations and speculations also create gaps between stock prices and their intrinsic value, offering opportunities for savvy investors to profit from mispriced stocks—to buy undervalued stocks and sell overvalued ones.

  (iii) The real challenge is to implement these strategies rationally, without being swayed by market hype or speculation.

Manage your Responses to Market Fluctuations

Price fluctuations are inevitable in the market.

- *Stocks*: Often, a stock's market price is driven by speculation, and doesn't reflect its true business value. The more successful a company, the greater its stock price fluctuations due to heightened speculation.

- *Bonds*: Bond have a fixed maturity date and interest rates, but their market prices can vary due to changes in interest rates, shifts in the issuer's creditworthiness, and other market dynamics.

- Historically, good-quality stocks delivered *average returns* of about 10% annually. Bonds, being less risky, yielded average returns of close to 5%. However, past trends may not predict future performance.

A key difference between investors and speculators lies in their response to stock market movements. Speculators try to make a quick profit by second-guessing short-term market shifts, while intelligent investors make strategic buy/sell decisions based on the intrinsic value of the securities. Specially, intelligent investors consider both timing and pricing:

KEY QUOTES

"Every investor who owns common stocks must expect to see them fluctuate in value over the years."

"Common stocks may do better in the future than in the past, but they are far from certain to do so."

- *Timing*: They don't rush to buy or sell. They grasp market trends, buying when the market is moving upward, and selling or holding when the market is moving downward. They only sell a stock if they expect to repurchase it at a much lower price in the future.

- *Pricing*: To avoid over-paying, they aim to buy low (below value) and sell/hold when prices are high (above value).

Think of the stock market as an erratic business partner "Mr. Market". Some days he's overly optimistic, offering to buy your stakes at exorbitant prices. Other days he's pessimistic, proposing to sell his shares at a steal.

- The *wise strategy* is to maintain your independent view of your stock's true value, then exploit Mr. Market's mood swings: buy from him when he undervalues his stocks and sell to him when he overvalues them.

However, even the most astute investor can be swayed by emotions or market hype. Thus, you need to mitigate your impulses using several safeguards:

- Go for a *margin of safety*: buy a security (e.g. stock or bond) only if its market price is significantly below its intrinsic value. This cushions against unexpected market downturns and errors in judgment. Specifically:

  (i) Differentiate between a *stock's* market price and its intrinsic value, targeting undervalued stocks priced below their true worth.

  (ii) For *bonds*, the margin of safety lies in their yield or expected return. Make sure the yield is sufficiently higher than current interest rates to offset potential risks.

- *Diversification*: Spread your investments across a variety of assets and sectors. This reduces the risk of major losses from a downturn in any sector or industry.

- *Conduct rigorous analyses*: Use a mix of quantitative and qualitative evaluations (elaborated below) to make sure you don't overpay. At the same time, remember that you cannot truly predict the market.

KEY QUOTES

"It is easy for us to tell you not to speculate; the hard thing will be for you to follow this advice."

"Even the intelligent investor is likely to need considerable will power to keep from following the crowd."

Security Analysis Made Simple

Any investor must minimally understand a company's financial reports, including the balance sheet, income statement, and notes. Never buy/sell a security (a stock, bond, or derivative) without rigorous analysis.

When evaluating stocks, combine a range of financial metrics and qualitative factors to get a holistic view of a company's value and potential:

- *Valuation*: To avoid overpaying for growth, use this formula to gauge a growth stock's intrinsic value: Value = Current earnings × (8.5 + 2 x expected annual growth rate)
- *Price ratios*: The Price-to-Earnings (P/E) ratio should be below 15 and the Price-to-Book (P/B) ratio should be below 1.5. When multiplied together, P/E and P/B should not exceed 22.5.
- *Size and stability*: Prioritize companies with significant annual revenue and consistent dividend payments.
- Ensure the current *dividend rate* is sustainable.
- *Long-term prospects*: Assess the company's industry position and growth potential.
- Evaluate the *management* competence and integrity.
- *Financial strength*: Ensure the assets are greater than liabilities, with moderate debt levels.
- *Earnings per share (EPS)* is a key metric for evaluating a company's financial health and its stock's potential value.
  (i) Consider the *average earnings over time* for ideally 7-10 years. Prioritize companies with consistent earnings growth and avoid those with sporadic spikes.
  (ii) Dive deep to examine the *factors influencing EPS*. Separate factors that truly reflect the company's intrinsic value from other factors (like accounting methods/adjustments, extraordinary events, or stock splits/dividends).

Bonds are typically less risky than stocks, but they still require scrutiny. When evaluating bonds, look for:

KEY QUOTES

"The security analyst develops and applies standards of safety by which we can conclude whether a given bond or preferred stock may be termed sound enough to justify purchase for investment."

- A strong *equity-to-debt ratio* of ideally 2:1 or more.
- A strong record of *past earnings* to cover interest charges, ideally by at least 7x.

The 2 Investment Pathways

There are 2 types of investors or investment pathways:

- *Defensive (passive) investors* seek to avoid big mistakes and losses, and to earn decent returns with minimal effort.
- *Enterprising (aggressive) investors* are willing to take more risk and put in much more time/effort to achieve higher returns. This approach brings potential for higher returns, but also higher risks.

As an investor, your returns should match the amount of effort and risks you're willing to take. Thus, the defensive investor will typically earn a lower return compared to the enterprising investor.

Defensive Investing: Strategies and Asset Selection

For defensive investors, the ideal strategy is to go for a balanced portfolio with a blend of stocks and bonds.

- *Asset allocation*: Balance between high-grade bonds and high-grade stocks, ideally with a 50-50 split. This ratio can be adjusted between 25-75% in either direction, based on your financial needs and risk tolerance.

When selecting common stocks, apply strict criteria to select only large, reputable companies that are financially robust and have a history of growth.

- *Size*: Choose big companies with ≥$100mil in annual sales (for industrial firms) or ≥$50mil in total assets (for public utilities). They should in the top 25-30% within their industries.
- *Financial stability*: The current ratio (current assets to current liabilities) should be at least 2:1 for industrial companies

KEY QUOTES

"The rate of return sought should be dependent...on the amount of intelligent effort the investor is willing and able to bring to bear on his task."

and at least 30% for public utilities. Long-term debt must not exceed net current assets.

- *Dividend record*: Choose companies that paid dividends consistently for the past 20 years.
- *Diversify* your stocks between 10-30 different industries.
- *Stock price limits*: Pay no more than 15x the average earnings for the past 3 years.
- *Stable earnings*: Ensure positive earnings in the last 10 years.
- Ensure *growth in per-share earnings* of ≥30% for the past 10 years, using 3-year averages at the beginning and end.
- *Asset value*: Ensure the P/B ratio is below 1.5, and P/E multiplied by P/B is below 22.5.

Bonds provide stability to your portfolio by offering steady income and principal preservation.

- *Tax considerations*: Choose between taxable and tax-free bonds by comparing after-tax yields for your tax bracket.
- *Maturity*: Diversify between short-term and long-term bonds to balance between returns and stability.

While there are other investment instruments like preferred stocks, mortgage securities, and annuities, they may not be necessary in a defensive investment portfolio. Only include them if they specifically meet your financial needs.

Other best practices for defensive investing include:

- *Rebalancing*: Regularly adjust your portfolio to achieve your desired asset allocation. For instance, if your target stock-to-bond mix is 70:30, but market shifts change this to 75:25, you should sell some stocks and buy bonds to regain your target balance.
- *Avoid frequent or drastic changes* to your portfolio mix. Only adjust your asset allocation due to changes in financial needs (e.g. starting a family), not short-term market forecasts.
- *Dollar-cost averaging*: Invest a consistent amount at regular intervals—regardless of market conditions—to reduce the average cost per share over time.

KEY QUOTES

"This matter of choosing the "best" stocks is...a highly controversial one. Our advice to the defensive investor is that he let it alone. Let him emphasize diversification more than individual selection."

"This matter of choosing the "best" stocks is...a highly controversial one. Our advice to the defensive investor is that he let it alone. Let him emphasize diversification more than individual selection."

- To *guard against inflation*, invest in assets (especially stocks) that have historically performed well during inflationary times.

Enterprising Investing: Strategies and Asset Selection

The principles for defensive investing are also applicable to enterprising investing: to balance high-grade bonds and stocks, purchased at reasonable prices. However, enterprising investors tend to push the boundaries to explore more varied and potentially riskier assets that they believe can outpace the market.

- To succeed, they must put in significant time and effort to research, analyze and manage their investments. They must become *at least as knowledgeable as institutional investors*.

When selecting common stocks, they should consider:

- *Timing*: Understand market cycles to buy low and sell high.
- Choose *growth stocks* with consistent earnings growth, a competitive edge, and sectors with good growth potential. Assess the P/E ratios relative to their growth rates.
- Look for *bargain issues* or undervalued stocks priced at two-thirds or less of the company's net current asset value, for a good margin of safety.
- Capitalize on *special events* like restructuring, mergers, or spinoffs. But, make sure you have an in-depth understanding and precise timing.

Apply due diligence for other investment opportunities:

- *Second-grade bonds or preferred stocks* can offer high yields, but require a thorough risk assessment.
- For *foreign government bonds*, choose stable countries to mitigate political and currency risks.
- *New issues or common-stock offerings* tend to be overpriced, so always scrutinize the company's fundamentals and pricing.

KEY QUOTES

"The aggressive investor must have a considerable knowledge of security values—enough, in fact, to warrant viewing his security operations as equivalent to a business enterprise."

"Experience clearly shows that it is unwise to buy a bond or a preferred which lacks adequate safety merely because the yield is attractive."

Remember: active management doesn't guarantee better results.

- Avoid *pitfalls* such as: overdiversification, impulse-buying, and over-leveraging. Never risk your principal for marginal gains.
- Adopt *best practices* including:

  (i) Staying informed on market trends and investment methods.

  (ii) Reviewing and adjusting your portfolio regularly.

  (iii) Sticking to data-driven analysis with patience and emotional discipline, instead of following market sentiments.

  (iv) Diversifying your portfolio, while taking calculated risks with a limited portion of your assets.

Other Investment Insights

Investment (Mutual) Funds

Investment funds, commonly known as mutual funds, pool money from many investors to buy into a diversified securities portfolio. They offer a way for investors to diversify without the need to select individual stocks or bonds.

- Mutual funds have delivered *mixed results* compared to benchmark indexes like the S&P 500. Some funds out-performed the market consistently, while many performed below market averages, especially after accounting for fees and expenses.

There are various types of funds, such as balanced vs all-stock funds, open-end vs closed-end funds, load vs no-load funds. When selecting mutual funds, consider the fund objectives, fee structure, past performance relative to benchmarks, and your own financial objectives and risk appetite. Remember: professionally-managed funds with higher fees do not guarantee superior returns.

KEY QUOTES

"An elementary requirement for the intelligent investor is an ability to resist the blandishments of salesmen offering new common-stock issues during bull markets."

Convertible Issues and Warrants

Convertible issues and warrants can enhance returns, but they also introduce other risks.

- *Convertible securities* are typically bonds or preferred stock that can be converted into a predetermined number of the issuing company's common shares.
- *Warrants* give the holder the option to buy the company's stock at a specific price within a certain timeframe.

Make sure you analyze them carefully against your risk tolerance and strategy. Here are some factors to consider:

- Convertibles combine bond or preferred stock features with common stock, offering *potential capital appreciation* if the stock performs well. The bond's interest or dividend payments also offer some *downside protection* if the stock doesn't do well.
- It's *more complex* to value convertible securities and warrants, since you must consider both the fixed-income component and the conversion option.
- When these instruments are exercised, they may *decrease earnings per share and stock value* for existing shareholders.
- *Warrants can be speculative*, since they're often issued as a sweetener to attract investors for a bond/stock offering.

Graham's advice for investors:

- *Focus on the fundamental quality* of the bond or preferred stock, and only go for undervalued convertible securities or warrants. Don't get blinded by the "upside potential."
- *Scrutinize new convertible issues* carefully. Ask yourself: would a truly strong business need to attract investors using convertible features?

KEY QUOTES

"In exchange for the conversion privilege the investor usually gives up something important in quality or yield, or both."

"Our general attitude toward new convertible issues is...a mistrustful one...If a new issue is a really strong one, it is not likely to have a good conversion privilege."

Engaging Professional Investment Advice

Professional investment advice comes in many forms, such as commercial bankers, brokerage/investment firms, financial services, and specialized investment advisers.

- *Brokers, financial planners, and portfolio managers* provide personalized advice, specialized insights, and access to resources that individual investors may not possess.
- *Other financial services* offer tools and platforms to support investment decisions, such as research reports, in-depth stock analyses, and forecasts.

Consider these factors when using professional investment advice:

- *Be circumspect*. Despite their expertise, professionals are still subject to market uncertainties. Always validate expert inputs with your own research.
- *Consider cost implications*. Understand how adviser fees—be it fixed, hourly, or assets under management (AUM)—affect overall returns. Assess if the costs are justified by potential/actual gains.
- Some advisers receive commissions for specific product recommendations, leading to possible *conflicts of interest*. Always consider the motives behind the advice. Work only with competent, transparent advisers with a strong track record.

Ultimately, investors must educate themselves on investment basics and strategies, and take responsibility for their investment choices.

- *Defensive investors* may not be able to assess every piece of advice, but they can provide firm, specific instructions about their desired asset mix based on the earlier guidelines.
- *Enterprising investors* should work closely with their advisers, while cross-referencing advice across various reliable sources.

KEY QUOTES

"Any approach to moneymaking in the stock market which can be easily described and followed by a lot of people is by its terms too simple and too easy to last."

"The intelligent investor will not do his buying and selling solely on the basis of recommendations received from a financial service."

"If the reason people invest is to make money, then in seeking advice they are asking others to tell them how to make money. That idea has some element of naïveté."

Shareholder-Management Relations and Dividend Policy

Dividend policies can affect perceived shareholder value. The question is: should profits be reinvested for future business growth or distributed to shareholders as dividends? Typically, companies need higher retained earnings during periods of rapid growth, and during market downturns (when they need to conserve cash).

- The market generally favors companies that *consistently generate growth* from reinvested profits. Such companies can maintain robust stock prices despite low/no dividends. On the other hand, "income issue" stocks tend to find their market value intertwined with their dividend payouts.

Graham believed that shareholders are entitled to a company's earnings, and should demand transparency and accountability from management.

- If a company retains more than one-third of its earnings, it should demonstrate that the retained earnings are being translated to *future shareholder value*, e.g. growth in per-share earnings.
- He urged shareholders to *take active action* if a company is underperforming relative to its peers, or if market prices are persistently low (which could lead to the company becoming acquired).

Comparative Analysis in Practice

In the book, Graham compared 4 real companies to illustrate how security analysis can be used to assess companies' intrinsic values and potential risks. For simplicity, we'll use a set of fictional numbers to show how to compare companies in practice.

Metric	Company A	Company B	Company C	Company D
P/E Ratio	15	20	10	18
Debt/Equity Ratio	0.5	1.5	0.3	0.7
10-Year Avg. Growth	5%	3%	7%	2%
Dividend Yield	4%	2%	5%	3%
Historical Stock Price Stability	Stable	Volatile	Stable	Volatile
Business vs Stock Performance	Aligned	Divergent	Aligned	Divergent

KEY QUOTES

"Poor managements produce poor market prices."

"It is our belief that shareholders should demand of their managements either a normal payout of earnings...or else a clear-cut demonstration that the reinvested profits have produced a satisfactory increase in per-share earnings."

Here are some practical insights from the numbers:

- *Profitability and price*: All else being equal, the P/E ratios suggest that Company C may be the most undervalued.
- *Financial risk*: Company B's high debt/equity ratio indicates greater financial risk.
- *Growth prospects*: Company C has the highest average growth over 10 years, suggesting a strong future potential.
- *Historical stability*: Using stock price history as a signal of the companies' volatility, Companies A and C seem more stable.
- *Dividend analysis*: Using dividend yield as a gauge of profitability and shareholders returns, Company C seems to be a front-runner.
- *Business vs stock performance*: A stock may be overvalued or undervalued if there's a gap between stock price movements and business growth. Companies A and C's prices are aligned with their growth.

Compare all the metrics above to make a holistic decision. In this simple example, Company C seems the most promising.

- Often, analysts recommend stocks based on *transient factors* like "strong market action" or "recent earnings growth". Such considerations should be irrelevant to the intelligent investor.
- While numbers are a good starting point, you should always *look beyond quantitative metrics* to truly understand a company, its industry, competitive landscape, and future prospects.
- Don't make decisions based solely on past *trends or current momentum*. Make sure you understand a company's current competitive position, financial health, and growth prospects. Occasionally review the fundamentals of the companies you've invested in, to make sure they're still sound.

Other Details in the Book to Look Out For

The book included detailed explanations of different investment instruments. It also analyzed historical numbers and data for various asset classes and types of companies across different

KEY QUOTES

"Obvious prospects for physical growth in a business do not translate into obvious profits for investors."

"Obvious prospects for physical growth in a business do not translate into obvious profits for investors."

"The investor need not watch his companies' performance like a hawk; but he should give it a good, hard look from time to time."

industries. Besides the comparative analysis, Graham also presented 4 other case studies to illustrate market volatility and investment pitfalls. In addition, he compared 8 pairs of companies to reinforce the key factors that differentiate successful investments from less successful ones.

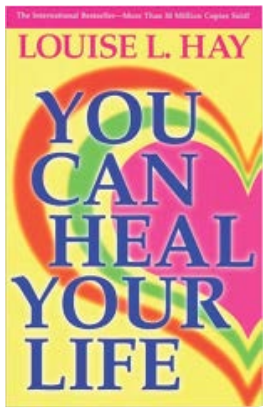
In each of the 20 chapters, financial journalist Jason Zweig also added his commentary to link Graham's timeless principles to the current financial landscape. This included: updated statistics to show how Graham's principles have held up over time, and modern examples to clarify or elaborate on how Graham's principles may be applied in today's markets.

About the Author

Benjamin Graham (1894–1976) was widely regarded as the father of value investing. Graham graduated from Columbia University and took a job as a chalker at Wall Street. He went on to do financial research for his firm and was made a full partner. At age 25, he was earning >$500,000 a year, but lost all this wealth in the 1929 market crash.

In 1934, Graham coauthored *Security Analysis* with David Dodd, which popularized the concept of intrinsic value. Later, he published *The Intelligent Investor* to capture his insights on investing. Graham also taught at Columbia University for 30 years, with Warren Buffett being one of his better known students.

KEY QUOTES



YOU CAN HEAL YOUR LIFE

by Louise L. Hay

The Big "So What"

First published in 1984, this was one of the pioneers in self-help books, and many of Hay's ideas have since been used and expanded upon by self-help gurus and holistic healers. It provides insights into the relationship between mind and body, and shows how limiting thoughts, beliefs and negative emotions affect us and are linked to our physical diseases. The book has sold over 30 million copies and helped millions with Hay's self-healing strategies and guides.

KEY QUOTES

"If we are willing to do the mental work, almost anything can be healed."

"If you will do the exercises progressively as they appear in the book, by the time you have finished, you will have begun to change your life."

Introduction

Hay wrote this book in the same way she takes a client through a private session or a workshop. Each chapter starts with an affirmation and includes one or more exercises or treatments. This summary covers her key philosophies, ideas and approach, including an overview of the recommended exercises. To apply the strategies, you will need to review the book in detail and apply the detailed instructions provided by Hay.

Hay's Beliefs And Philosophies

Here are some of Hay's key beliefs and philosophies that form the foundations of the book and her self-healing approach:

- "What we give out, we get back…Every thought we think is creating our future…"We are each responsible for all of our experiences."
- "The point of power is always in the present moment."
- "Everyone suffers from self-hatred and guilt…The bottom line for everyone is 'I'm not good enough'."
- "The only thing we are ever dealing with is a thought, and a thought can be changed."
- "We create every so-called illness in our body…Releasing resentment will dissolve even cancer."
- "Resentment, criticism, and guilt are the most damaging patterns."
- "We can change our attitude towards the past…To release the past, we must be willing to forgive."
- "We must be willing to begin to learn to love ourselves… When we really love ourselves, everything in our life works."
- "Self-approval and self-acceptance in the now are the keys to positive changes."

KEY QUOTES

The Source Of Your Problems

After working with so many clients, Hay found that the problems they are dealing with (body, relationships, finances, life in general) are rarely the real problem.

What is the problem?

The true problem almost always boils down to the fundamental belief that "I'm not good enough", and the lack of self love.

For example, the underlying belief of financial disaster is often "I'm not worthy of having money", that of having no friends is usually "nobody loves me" and the tendency to always try to please others often comes from the belief "I never get my way".

Where does it come from?

These beliefs, along with many other ideas of who we are and the rules we must live by, are often learned when we are very young, from the adults around us. When we grow up, we tend to re-create our lives around these beliefs. Hay recommends several exercises, such as shifting "I should" to "I could" to realize we have a choice, identifying underlying issues beneath the visible problems, and identifying where some of our limiting beliefs come from.

As we become aware of underlying issues and their sources, we must be conscious not to lay the blame on our parents or others. Hay believes that we chose our parents to helps us learn what we need to learn. We alone are responsible for how our life unfolds. Blaming others only means giving our power away.

KEY QUOTES

"Whatever we send out mentally or verbally will come back to us in like form."

"Blame is one of the surest ways to stay in a problem. In blaming another, we give away our power. Understanding enables us to rise above the issue and take control of our future."

Essentially, we are dealing with thought patterns. Once we recognize this, we realize we have the power to begin change right now, at this present moment. Since it all begins in the mind, we also have full and complete control of the outcomes in our lives.

Are Our Beliefs Even True?

Our beliefs (e.g. “boys don’t cry”, “you are not good at this”) become our reality, hence we should examine if they are true to begin with. Even if they were true in the past (e.g. don’t trust strangers as a child), they may no longer be true today. Learning to let go of false or old beliefs is a key to changing our lives.

How To Change

We start with a willingness to change, and by overcoming our natural resistance to change. Next, we learn to control our minds and thoughts, and to forgive ourselves and others.

1. Nurture the willingness to change

We must be willing to change on the inside before our outer circumstances will change. The process of healing begins the moment we begin to think about making a change. Hay details a “willing to change” exercise to identify the source of your resistance to change and use affirmations to release the resistance.

KEY QUOTES

“If a thought or belief does not serve you, let it go! There is no written law that says that because you once believed something you have to continue to believe it forever.”

“When the child within feels unsafe, it creates a lot of trouble… Be kind to yourself. Begin to love and approve of yourself. That’s what that little child needs in order to express itself at its highest potential.”

Reshaping our beliefs is like doing a mental housecleaning. We must remove old things to put in the new. Go through each of our mental rooms and examine the thoughts and beliefs, to decide which ones to keep and polish, and which ones to throw out. To change the deeply-buried patterns, we must first be aware of them. Here are some forms of resistance to look out for:

Nonverbal cues e.g. changing the subject, falling sick, looking away, doing something else.

Assumptions e.g. "you wouldn't' understand", "that won't make a difference", "my situation is different".

Beliefs e.g. "It's not right to do this", "that's too expensive", "I'm not that kind of person".

Them e.g. "God won't approve of it", "they won't let me", "my doctor doesn't allow it", "it's against my upbringing/ religion".

Self-Concepts e.g. I'm too old, young, weak, strong etc.

Delay Tactics e.g. "I'll do it later", "now is not the right time".

Denial e.g. "it will go away", "there's nothing wrong".

Fear e.g. "I might fail", "what would others think?".

Look out for these signs of resistance so you can release them (and push ahead with the changes anyway). The crux is not about willpower or discipline; it is about the willingness to let go of the old/ past. Note that repeating patterns highlight a need in us that must be addressed. Self-worth and kindness to yourself support change, while criticism of self and others don't.

KEY QUOTES

Rather than work on ourselves, it is often easier to focus on what others need to change. "Leave our friends alone", Hay says. People will change when they are ready; meantime, we can only focus on our own change.

2. Control the mind

Your mind is a tool that you can use in any way you want. You are in control of your mind, not vice versa. By controlling the mind, you can shape your thoughts and beliefs for the future.

Understand that the past is over and done; it cannot be changed and need not hold us back. Physical release can also help to unlock pent-up emotions and past experiences. For example, screaming with your windows closed or beating the pillows are both harmless ways to release pent-up anger.

3. Forgive yourself and others

Many people allow the past to hold them back; they cannot enjoy the present and future because of something that happened in the past. The way to release the past is to forgive ourselves and others.

Hay details several exercises to help us let go and release old patterns that have resulted in our current conditions or problems, and to forgive ourselves and others.

Building The New

Creating positive change is like planting seeds. It takes time for the seeds to sprout, and we need to constantly nurture the seedlings and keep the weeds away.

KEY QUOTES

"The way you now use your mind is only a habit, and habits, any habits, can be changed if we want to do so, or even if we only know it is possible to do so."

"Love is always the answer to healing of any sort. And the pathway to love is forgiveness. Forgiveness dissolves resentment."

"The more you dwell on what you don't want, the more of it you create."

Build on the Positives

What you place your attention on will grow. Hence, move away from negatives e.g. “I don’t want to be fat”, “I don’t want to be unhappy”; instead, focus on what you do be or have e.g. “I am healthy and slender”, “I am happy, joyous and free”. Learn to think in positive affirmations as a habit, using the present tense e.g. “I am”, “I have”.

As you start to observe your inner thoughts, you may notice negative thoughts - catch them in mid-sentence, rephrase them, drop them or tell the thoughts to “get out”.

Self-approval and self-acceptance are crucial for positive change:

Start with small things about yourself that you consider to be good qualities. Over time, you will lean to love and approve all of yourself, including qualities that you felt were not “good enough”.

Release ourselves from other people’s opinions: Each of us are unique, hence there is no need for competition nor comparison.

Put it to practice: Think and do things that make you and your body feel good (e.g. be with the right people, eat the right foods, think the right thoughts).

Hay provides several exercises in the book, including affirmations for self-approval, identifying negatives to be changed to positives, and developing positive beliefs that you deserve good things in life.

KEY QUOTES

“No matter what the problem, the main issue to work on is loving the self: this is the “magic wand” that dissolves problems.”

Holistic Philosophy

Hay advocates a holistic approach to nurture and nourish your entire being. This includes your Body (through nutrition, exercise etc.), your Mind (through visualization, affirmations, workshops etc.) and your Spirit (through prayer, meditation, practicing forgiveness and unconditional love etc.). Apply as many of these practices as possible, every day.

Daily Work

Changing your life is a gradual process that takes daily effort, and you will stumble along the way. Hay recommends several tips for progressively building up the momentum for change, e.g. beginning your day on a positive note, giving a few minutes daily to quiet meditation, doing daily affirmations etc. She also recommends several exercises to improve self-love, visualize the new you, and expand your knowledge.

Treat the process like how a child learns to walk - just keep going, judging your "failures"; Add on progressively and remind yourself frequently that you are doing the best you can.

Putting the Ideas to Work

For each of these areas, Hay recommends how we can apply the ideas above, including affirmations and exercises that can be used:

Relationships:
We attract the people in our lives; they are a mirror of our qualities or beliefs about relationships. If there's something you dislike about someone, start by asking how you are like that, and when do you do similar things. When you remove your own patterns

KEY QUOTES

"Relationships are mirrors of ourselves. What we attract always mirrors either qualities we have or beliefs we have about relationships."

"Love is never outside ourselves; love is within us."

and habits, that other person will either change, or he/ she will leave your life. Likewise, with love, don't hunt for it; When we love ourselves and are loving and receptive to love, we will attract people who have similar qualities.

Work:
You are in your work situation because of your own thinking patterns. Identify the areas of work you wish to improve (e.g. salary, colleagues), bless it, and affirm what you wish to create.

Success:
When something doesn't turn out the way you envisage it, it does not mean it is a "failure"; it merely provides the learning experience you need. Hay provides a series of success affirmations to help us plant the "seeds of success".

Prosperity:
Prosperity starts with our inner state of mind. We need to examine our beliefs about money, our beliefs about whether we "deserve" to prosper, and be willing to clear out the old to make room for the new. Love and bless your bills (don't dread them) as an acknowledgement of your ability to pay.

KEY QUOTES

"The law of experience is always perfect."

"True prosperity… is never an amount of money; it is a state of mind."

The Body

How we think and speak leads to our bodies' "eases" and "dis-eases". We create every dis-ease in our body due to our own thought patterns. Hay explains how some of these conditions come about, and how to listen to what our body is telling us through its dis-eases and discomforts, including headaches, baldness, sore throats, arthritis, back problems, heart attacks, cancer, ulcers etc.
The book includes an additional 60 pages of detailed Probable Mental Patterns (from Hay's book Heal Your Body) that cause

"The body, like everything else in life, is a mirror of our inner thoughts and beliefs…Every cell within the body responds to every single thought you think and every word you speak."

illnesses and suggested affirmations or thought patterns that can be used to create health instead. Essentially, patterns of thought relating to resentment, criticism, guilt and fear are the main contributors to our so-called illnesses. Forgiveness and releasing these thought patterns (alongside healthy nutrition and care for our body) are the key to wellness.

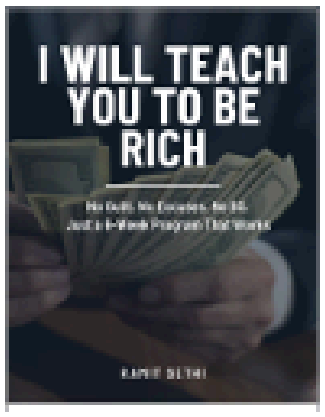
Additional Notes from Summary Author

This book may not be for everyone, as it is strongly anchored in New Age concepts and alternative healing methods. But for those who are open to such concepts, the book provides a detailed, step-by-step guide to start uncovering personal limiting beliefs and negative thoughts, and to start making positive changes.

It was not possible to capture all the suggested affirmations and exercises, nor the long list of illnesses and their likely corresponding "mental blocks". If Hay's ideas and concepts resonate with you, I suggest you pick up a copy of the book, as you will definitely refer to it many times in the course of applying these techniques. The book also includes a list of additional holistic healing resources, and you can get more updated resources on www.louisehay.com.

KEY QUOTES

'Your security is not your job, or your bank account, or your investments, or your spouse, or parents. Your security is your ability to connect with the cosmic power that creates all things."



I WILL TEACH YOU TO BE RICH

No Guilt. No Excuses. No BS.
Just a 6-Week Program That Works

RAMIT SETHI

The Big "So What"

Many young people are living from paycheck to paycheck, with no savings and no plans for their financial future. This book presents a 6-week program that'll help you to start managing your money better and live a more fulfilling life. The insights are especially useful for young people in their 20s and 30s in America, but can be applied by anyone who wants to be financially well-off.

Introduction

You don't need to be a financial expert to become rich. The best financial management principles are actually very simple: sound budgeting, conscious spending, sensible banking, and buy-and-hold investment strategies.

To get rich, start investing your money as early as possible. If you keep your money in the bank, you'll lose money due to inflation of about 2% per year. Don't wait till you're 100% sure to invest or you'll end up doing nothing. Take small consistent steps and learn along the way.

If you follow the practical steps in this book, you can start to take control of your money in 6 weeks, redirect it toward your financial goals and eventually achieve financial independence.

KEY QUOTES

"You don't have to be an expert to get rich. You do have to know how to cut through all the information and get started."

"Investment isn't about being sexy—it's about making money."

"The single most important factor to getting rich is getting started, not being the smartest person in the room."

1. Manage your Credit

Credit should be a financial resource, not a burden.

Use Credit Wisely

Debt or credit allows us to purchase high-value items that we can't otherwise afford, e.g. a house, car, university education. Generally, debt is good if you use it for things that increase in value over the loan duration (e.g. a house).

However, it can have serious consequences if you develop the habit of spending more than you earn.

- When you don't pay your monthly credit card payments in full, you incur average interest rates of 14% per year. The bank may also levy extra *penalties* for missing your payments.

  (i) If you spend $10,000 on a credit card purchase and only pay the minimum monthly balance, it'll take you 13yrs to repay the amount. The *interest* alone is ≈ $4,000, since the debt rolls over each month and the interest builds up. You end up paying much more for your purchases.

  (ii) There's also an *opportunity cost*. If the $4,000 had been invested at 8% returns, you'd have $27,000 after 13yrs.

- However, if you use your credit cards responsibly and *pay your bills in full* every month, your cards can serve as an interest-free loan, help you to track your spending, and even earn cash bonuses, air-miles and other perks.

Improve your Credit Rating

Your credit rating reflects your borrowing track record. It comprises (i) a *credit record* of your personal information and borrowing habits, and (ii) your *credit score* which shows

KEY QUOTES

"Establishing good credit is the first step in building an infrastructure for getting rich."

how likely you are to repay your loan. The better your credit score, the less risky you are to lenders, and the easier and cheaper it is to get a loan. A good credit score can save you thousands of dollars over your lifetime.

Build a good credit track record by optimizing a few credit cards.

- As a rule of thumb, use just 2-3 credit cards with the *lowest fees and the best rewards*. Do your research: choose a card with a low interest rates and suits your lifestyle, e.g. if you travel a lot, opt for a card which gives air miles.

- Your *credit utilization rate (CUR)* is your current debt divided by how much you can borrow. The lower your CUR, the better. To improve your CUR, call your bank to increase your credit allowance or pay off your credit card debt.

- Minimize your *card-related charges*. Call your bank to negotiate the fees, payback periods, interest rates and credit limits. It's much easier to get concessions when you've been using the same card for several years.

Start repaying your debts to reduce your interest payments and improve your credit rating.

- Work out how much debt you have, then *develop a monthly plan* to repay it. Deduct each month's expenses from your income to calculate how much you can set aside. If you can't even cover your minimum payments, you must earn more, spend less and negotiate for a lower minimum balance.

- If you have >1 credit card, start by paying the minimum on every card. Then, pay as much as you can, either for the card with the highest interest or the lowest balance. Freeze all new spending on the cards, and aim to *pay off 1 card at a time*. Automate your monthly repayments so you won't forget to pay them nor feel the loss psychologically.

Action Steps for Week 1

- Get your credit report and credit score.
- Research and manage your credit cards (aim for zero fees).
- Develop a plan and up automatic paymentsto pay off existing debts.

KEY QUOTES

"Optimize your credit card(s) and use them as a spearhead to improve your overall credit."

"You can't make a plan to pay off your debt until you know exactly how much you owe."

"Paying off debt just takes hard work and a plan."

2. Optimize your Bank Accounts

Bank accounts are at the core of your personal finances. Pick the best banks/accounts, minimize fees and maximize interest.

Choose banks accounts that suit your needs, offer lower fees and higher interest rates.

- *Do your research*. Ask your friends for recommendations and compare different banks' interest rates and fees (e.g. overdraft charges, annual/monthly fees and ATM withdrawal fees).

- *Pay attention to the bank fees*. These are often more crucial than the interest rate. If you save $1,000, you'll earn $5 annual interest at 0.5% interest rate. Yet, an overdraft fee of $10 (for not having enough money in your account) will wipe out the entire year's interest in one go.

Don't be afraid to negotiate your bank fees and minimum limits. Banks earn money by lending the money deposited by customers (like yourself) to other customers. It can cost $200-$3,500 for a bank to acquire a new customer, so they'll want to retain your business.

- If you incur an overdraft fee, call up your bank to explain that it's a first-time mistake and ask them to waive it. Usually, you can also get other charges (e.g. annual fees, ATM fees) or minimum balances waived if your employer direct deposits your paycheck into the account each month.

Open separate checking and savings accounts to get the best rates and services from each account.

- *Checking accounts* are used for money that you spend regularly, e.g. paying your bills/expenses via checks, debit cards, ATMs or online transfers. Go for a *no-fee, no-minimum checking account* for such regular transactions.

- *Savings accounts* are for storing money that you won't need in the short/medium term. Set up a separate *high-yield savings account* to maximize your interest and to

KEY QUOTES

"Your bank's fees are often more important than the interest rate it offers."

to reduce the temptation to dip into your savings. Sethi recommends *online banks* since they can offer 6-10x higher interest rates than traditional brick-and-mortar banks. It may take 3-5 days to withdraw money from online accounts, but the higher interest rates are worth it since you won't be making regular withdrawals.

- You can even open several accounts with *multiple banks* to get the best rates and services from each.

Action Steps for Week 2

- Open or switch to a no-fee, no-minimum checking account.
- Open or switch to an online high-interest savings account.
- Leave 1.5 months' living expenses in your checking account as a buffer. Transfer the balance to your savings account each month.

3. Prepare to Invest

The earlier you invest, the faster you can get rich. Set up 2 types of retirement investment accounts—a 401(k) and a Roth IRA—so your money can start working for you 24x7.

Many companies offer the 401(k) account to their employees. You just need to fill out a form to indicate (i) how much of your paycheck should be sent directly to this account and (ii) the investment options you prefer. Let the money grow over time. You can start withdrawing when you're at least 59.5 years old.

- The 401(k) account offers *several benefits*:

  (i) Once it's set up, the money gets transferred *automatically* from your paycheck without you having to do anything.

  (ii) Your 401(k) contributions are *pre-tax*, i.e. you only pay tax when you withdraw the money. This means an extra 25-40% more money being invested and compounded to maximize your returns.

  (iii) Your employer may match the amount you contribute, up to a certain limit (e.g. 5% of your salary). This means *extra money* each month.

KEY QUOTES

"Compounding is mankind's greatest invention because it allows for the reliable, systematic accumulation of wealth."
—Albert Einstein

- *Tips for leveraging the 401(k)*:

  (i) Ask your company if they offer the 401(k). Open an account asap if you haven't.

  (ii) Maximize the employer's match: if your employer will match up to $5,000, then put in $5,000 p.a. or $416 p.m. to get the full company match. If possible, go beyond that to invest the maximum allowed for the 401(k).

  (iii) You can withdraw money from your 401(k) before you're 59.5 for certain emergencies, but avoid premature withdrawals since you'll pay taxes and a 10% penalty.

  (iv) If you change jobs, move your 401(k) money to an IRA account. Don't move your money into your new company's 401(k) since you won't get the employer's match on the older funds. Don't keep your money in your old 401(k) either, as you probably won't make the payments. The worst thing to do is to cash out your 401(k) and pay the penalties/taxes.

KEY QUOTES

Another retirement account to open is the **Roth IRA**. To qualify, your income must be within certain stipulated levels.

- The *key benefits* of the Roth IRA are:

  (i) You can invest in whatever you want; and

  (ii) You pay tax on your contributions but not on your earnings. In short, you invest your after-tax income, let the investments grow and needn't pay tax on the earnings when you withdraw the money in future.

- *Tips for your Roth IRA Account*:

  (i) Compare different options based on their minimum required investments and features offered.

  (ii) Consider discount brokerage firms (e.g. Vanguard or T. Rowe Price) since they offer lower fees and online access.

(iii) Open an account asap. You can withdraw from the account without penalty after 5 years. So, the earlier you open it, the earlier you can start withdrawing.

To get the best returns, invest in this sequence:

- *Open a 401(k) account*. If your company offers a match, contribute enough to get the full match. If not, don't make contributions yet.
- *Pay back your existing debts*, since the interest rates are usually much higher than what you can earn from investments.
- Set up automatic monthly deposits for your *Roth IRA account*. Contribute as much as possible.
- If there's money left, *max out your 401(k)*. Then, put the balance into a *non-retirement account*, pay off any mortgage debts and invest in yourself (e.g. start a business, further your studies).

KEY QUOTES

"If you invest in yourself, the potential return is limitless."

Action Steps for Week 3

- Open your 401(k) account.
- Come up with a plan to pay off debt.
- Open a Roth IRA with automatic monthly transfers

4. Adopt Conscious Spending

Use a conscious spending plan to become aware of how you're spending your money and consciously decide how you'll allocate your monthly take-home pay.

As a rule of thumb, set aside:

- 50-65% for *monthly fixed expenses* (e.g. rent, utilities, car insurance, debt repayments).
- 10% for *long term investments* (e.g. 401(k), Roth IRA and other investment accounts).

- 5-10% as *savings* for short-term goals (e.g. vacations, Christmas gifts), and long-term goals (e.g. a wedding or down-payment on a house). For example, if you aim to save $28,000 for a wedding in 6 years, you should start saving $389 a month (28,000/72 mths).

- 20-35% for *guilt-free discretionary spending*.

Reduce spending effectively with these tips:

- *Be frugal, not cheap*. Frugal people focus on long-term value and spend on what matters. Cheap people focus on the lowest price, try to pinch pennies in every area and may even scrounge off others. The key is to spend on what you truly love and ruthlessly cut the rest—if you love designer shoes, go ahead and buy them with the money for discretionary expenses but cut expenses in other areas.

- *Use the 80/20 rule*: Zoom in on the 20% cost items that make up 80% of your expenses. Focus on the big wins, e.g. reduce credit card interest instead of saving $1 on a chocolate bar.

- *Go "à la carte"*. Cancel all your recurring subscriptions, then pay for the items you need individually. We tend to overestimate how much we'll use a subscription service. If you pay as you go, you'll make a conscious decision each time you pay. For example, stop paying $70/month for a gym membership which you use only 3 times; buy a $10 day pass each time you go.

- *Set a savings goal*. It's easier to forgo an expensive lunch to save for a meaningful goal like a holiday or house down-payment.

- Don't take extreme measures (e.g. stop eating out altogether) as it's not sustainable. Instead, *set realistic goals*, e.g. progressively decrease meal expenses by $10 each week.

- Use the *envelope system* to pre-allocate a fixed monthly amount to each expense category, e.g. $250 for eating out, $350 for groceries. You can transfer money between envelopes, but you must stop spending once an envelope is empty.

KEY QUOTES

"Frugality, quite simply, is about choosing the things you love enough to spend extravagantly on—and then cutting costs mercilessly on the things you don't love."

"Try focusing on big wins that will make a large, measurable change."

Once you've implemented a Conscious Spending Plan, give yourself some time to settle into a new rhythm. **Maintain your spending plan**—if you have an unexpected bonus or pay raise, give yourself a small reward then save/invest the rest.

You can concurrently seek to **increase your income**:

- Deliver more value in your job so you can *negotiate a pay raise*. Track your work tasks and results, and ask your boss for feedback on how exactly you can exceed expectations. Adopt the feedback, track your results and get feedback again on how to do better. When you know you've been exceeding expectations and delivering real results, request for a meeting to discuss your compensation—ask your boss what you must bring to make the discussion more fruitful, and prepare accordingly.

- If you're in a dead-end job, consider getting a *higher-paying job*. Or, earn extra income from *freelance work*, e.g. babysitting, tutoring or dog-walking.

Action Steps for Week 4

- Using your paycheck and expenses last month, roughly estimate the numbers for your Conscious Spending Plan.
- Define your savings goals and monthly fixed costs. Go à la carte, break down the expenses, then recalculate your plan.
- Pick 1-2 big wins that can deliver the biggest expense cuts.
- Take 1 hour per week to enter your cash receipts, refine your percentages and maintain your plan.

5. Automate your Money Transfers

Invest some time to set up your money flow to run on autopilot. This prevents procrastination and saves you time in the long run. You'll just need 1-2 hours per month thereafter to review your bills and accounts.

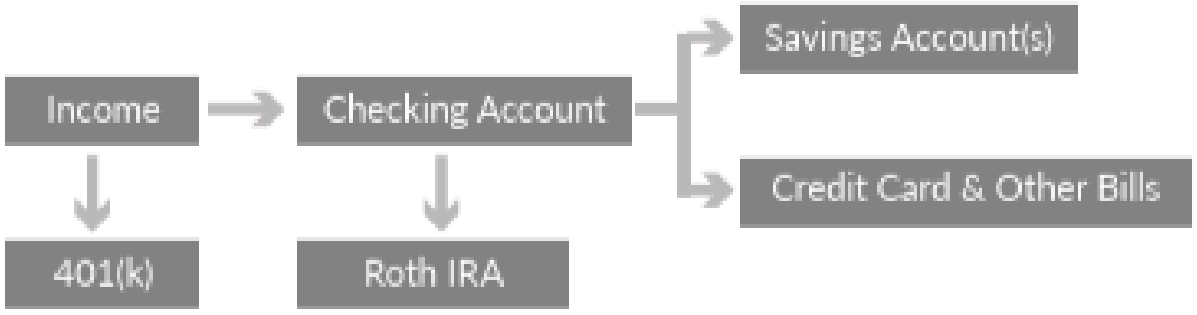
KEY QUOTES

"Make sure a raise goes to your bottom line, not to your head."

"Getting a raise is not about you. It's about you demonstrating your value to your employer."

"The key to taking action is, quite simply, making your decisions automatic."

Set up your money flow as follows:



- *Funnel all your money through your checking account*. Get your salary deposited into this account. Then, automate transfers from your checking account (i) into your savings and investment accounts according to your Conscious Spending Plan, and (ii) to pay off your credit cards and other bills.

- *Time your transfers*: include a few days' buffer between the expected in-flow vs out-flow of money.

- If possible, *use your credit card* to pay for everything. Keep your receipts and tally them against your statement weekly. Get your card company to email you the credit card statement for review before payment. Have the bank notify you if your card spending a crosses a certain limit (to avoid incurring overdraft fees).

If you don't earn a regular income (e.g. if you're a freelancer), get a solo 401(k) or a SEP IRA instead of the traditional 401(k). Before you start investing, set aside 3 months of minimum living expenses in your savings account as a buffer.

Action Steps for Week 5

- List down all your accounts. Link them as payees for online banking.
- Set up your automatic money flows using the tips above.

6. Know What to Invest In and How

Investment is *not* about picking "hot stocks" or trying to beat the market. The best investment strategies are actually very simple. Learn them and set aside an afternoon to set up your investments.

KEY QUOTES

"By spending a few hours up front, you'll end up saving huge amounts of time over the long term."

"Some of the best debt reduction strategies...involve tricking yourself into putting money aside, and making it hard to spend."

Why You Shouldn't Pay for Financial Expertise

A real expert should deliver concrete results. Yet, most financial "experts" don't deliver higher investment returns than laymen:

- Don't believe so-called experts who claim they can predict the market or pick winning stocks. Financial markets are so complex that *no one* can accurately *predict or outsmart them*.

- Analysts and experts may appear to have superior insights due to the *survivor bias*—we only notice their successes but not their failures. A financial company may start many mutual funds, wait to see which ones succeed, then aggressively market those funds without us seeing the other funds that've failed or closed down. Likewise, analysts blow their trumpets when their predictions are right but not when they're wrong (which happens very often).

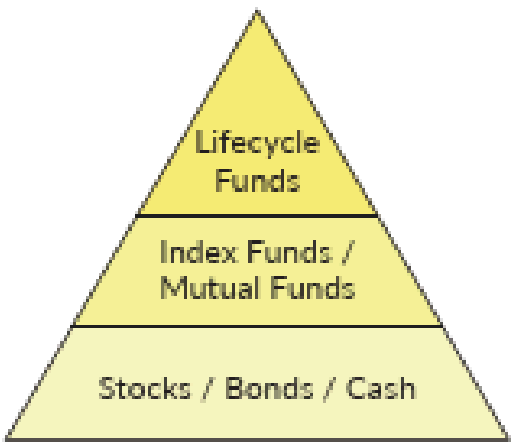
There are indeed a handful of experts who consistently beat the market, e.g. Warren Buffett, Peter Lynch and David Swensen. They've each delivered at least 2x higher returns than the market, with 16-22% annualized returns over a period of more than 10 years. However, they advocate long-term, low-cost investments with a diversified portfolio.

What to Invest in and How

There're several asset classes in investments:

- At the basic level, you have *stocks, bonds and cash*:

  (i) When you buy *stocks or equities*, you're buying a tiny part of a company. The stock value changes depending on the company's performance. Overall, stocks provide good returns (ave 8% p.a.) but it's hard to predict how individual stocks will perform.



KEY QUOTES

"Ultimately, expertise is about results."

"The only long-term solution is to invest regularly, putting as much money as possible into low-cost, diversified funds, even in an economic downturn."

(ii) When you buy *bonds*, you're lending money to a government or company, on the promise that they'll pay it back with interest upon the bond's maturity. You can choose the duration of the loan and know the exact returns you'll get. Generally, the longer and riskier the bonds, the higher the returns. Government bonds are the safest with lowest yields of 2-3%.

(iii) Your uninvested money is held as *cash* (usually in the bank). It's the safest but you'll lose money due to inflation.

- Stocks/bonds can be clustered into *mutual and index funds*.

  (i) *Mutual funds* are groups of stocks (and sometimes bonds) that're actively managed by fund managers. These managers are paid high salaries to pick the best funds, and investors are charged 1.5-3% of the invested amounts for this service. This means that to breakeven, the funds must perform at least 1.5-3% better than the market. Yet 75% of the time, fund managers fail to beat or even match the market. So, you end up paying higher fees for lower returns!

  (ii) *Index funds* use computers to run the fund. Instead of trying to pick "good" stocks, the computers include *all* the stocks in the index (e.g. all 500 stocks in the S&P 500) to match the market. Such funds move closely with the market, so there'll be short-term fluctuations but long-term growth (since markets almost always grow in long-term). Index funds charge lower fees (≈0.18%) compared to mutual funds (≈2%), which makes a huge difference over time. Assuming you invest $100/mth at 8% returns, you'll have $70k in an index fund but only $44k in a mutual fund after 25yrs.

- Your financial needs change with age. In your 20s/30s, you can afford to be more aggressive and invest mainly in stocks, since you can wait for the market to rebound if it hits a downturn. As you get older, you should balance your portfolio with bonds (which are safer but have lower yields). *Lifecycle funds* automatically diversify your investments based on your age. They're ideal for people who prefer a fuss-free, one-size-fits-all option that's low-cost and tax-efficient.

KEY QUOTES

"If you're not investing, in the long term you're losing money every day."

"Nobody can consistently guess which funds or stocks will outperform, or even match, the market over time."

"When it comes to investing, fees are a huge drag on your returns."

- There're also *other investment options* (e.g. real estate, art, precious metals), but the returns generally aren't that good.

The key to successful investment is to **build a diversified portfolio**. This involves (i) allocating your money across different asset categories (e.g. stocks vs bonds) and (ii) diversifying your investments within each asset category. That way, your portfolio is protected even if 1 market or sector suffers a dip.

- The easiest approach is to invest in *lifecycle funds*, which is diversified and automatically adjusted according to your age.

- If you prefer more control, then build and manage your own portfolio by *choosing your index funds* (which Sethi recommends over mutual funds). However, you must have the discipline to rebalance your portfolio every 12-18 months (see the next section).

  (i) Choose at least *3-7 different funds*. Many funds require a minimum investment of $1-3k, so you'll probably need to build your portfolio gradually as you save up. Start with equities for faster growth, then add bonds to balance your portfolio. Choose funds with low management fees (<0.75%) and a strong performance over the past 10-15 years.

  (ii) You can start with *David Swensen's recommended allocation*: 30% domestic funds, 15% developed world international equities, 5% emerging world equities, 20% real estate funds (REITS), 15% government bonds and 15% treasury inflation protected securities (TIPS). This can be adjusted later based on your age and risk tolerance.

No matter which option you choose, go for **automatic investing**.

- Set up automatic monthly payments so you needn't monitor the market closely nor be tempted to make irrational changes. By investing small amounts over time, you're also diversifying your risks using *dollar-cost averaging*. When prices go up, you'll automatically

KEY QUOTES

"When you're evaluating a fund, the only way to really gauge it is by looking at its track record for the last ten years or more."

"Automatic Investing may not seem as sexy as trading in hedge funds and biotech stocks, but it works a lot better."

buy fewer shares; when prices go down, you'll automatically buy more. In the long run, this offers more predictable returns than trying to beat the market with short-term speculation.

- Adopt a *long-term perspective*. Don't panic and sell your investments when the market dips. Smart investors know that markets *will* recover—they hold their investments and sell only at the right time/price.

- There's no need to pay for financial expertise since you can get higher returns from automatic investments in low-cost funds. But if you still wish to hire a *financial adviser*, then (i) choose a fee-based (not comms-based) adviser, (ii) do reference checks with their clients (with a similar profile as you), and (iii) ask for their approach (including what they'd do in the next 30, 60, 90 days). Or, if you still wish to explore *mutual funds*, look for those that consistently outperform the market by examining their post-fee, post-tax returns for the last 10, 15 and 20 years.

The earlier you start investing, the better. Use several hours to set up your investments properly and start growing your money.

Action Steps for Week 6

- Choose lifecycle or index funds based on your investing style.
- Research your investments and decide on your portfolio mix.
- Buy your fund(s).

7. Maintaining your Investments

By now, 85% of the work is already done, though you must still rebalance your funds every 12-18 months if you chose index funds. Some funds will out-perform others, resulting in a change in your portfolio mix over time. You may start with 30% domestic equities, yet 12 months later they can make up 50% of your portfolio if they increased more in value compared to other funds. To maintain your target asset allocation, (i) pause your automatic payments for the high-performing funds and (ii) redistribute the money among the other funds.

KEY QUOTES

"Be fearful when others are greedy and greedy when others are fearful."

"Being rich is within your control, not some expert's. How rich you are depends on the amount you're able to save and on your investment plan."

"Because compounding works so effectively, the more you save now, the more you'll have later."

Aim to reach the target percentages in your Conscious Spending Plan asap. Thereafter, save and invest as much as possible so you can get the most of the compounding effect. Once you reach your investment goals, go ahead to cash and enjoy the rewards.

Living a Rich Life

Having a rich life goes beyond acquiring money, though money can give us the freedom to do what we love and give back to others. By having a conscious spending plan and a system to save and invest automatically, you can spend on things that matter and still achieve your goals.

In the book, Sethi discusses many financial decisions that'll impact your life and financial stability. In particular, your big purchases (e.g. buying a car or house) have a disproportionate impact compared to your small saving on clothes or meals.

- Consider the *total cost of ownership* (e.g. insurance, property tax, repairs and maintenance of owning a house), the upfront vs monthly payments, and the opportunity cost (money that could've been invested or used for other priorities).

- Do your research carefully and *make financially-sound decisions*. Buy a car/house that you'll drive or live in for ≥10 years to maximize the lifetime value.

Money matters can affect your relationships, yet it's awkward to talk about money. In the book, Sethi also addresses how to handle sensitive conversations about money with your parents, spouse or friends.

Other Details in the Book to Look out For

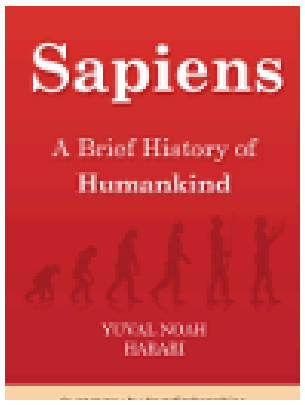
This is a light and humorous book with many illustrations, calculations, recommended resources and detailed steps/ tips to guide you through the 6 weeks' action plan and beyond.

KEY QUOTES

"A rich life is about more than money. It starts by managing your own. And it continues by helping others become rich."

"Focus on spending time on the things that matter, the big wins."

"Getting rich isn't about one silver bullet or secret strategy. It happens through regular, boring, disciplined action."



SAPIENS

A Brief History of HumanKind

YUVAL NOAH HARARI

The Big "So What"

We tend to think of mankind as the unique and inevitable masters of this Universe. In reality, we were not the only human species that existed on Earth, and most of our progress happened only in the recent past. Through a detailed account of human history, Harari presents the facts and myths of how mankind has dominated the planet, the driving forces shaping our lives and how we can think about our impact on Earth.

Introduction

All humans alive today are *Homo sapiens*; we're part of the *Homo* genus (in the same family as chimpanzees, gorillas and orang-utans) and we're of the species *Sapiens* (which means "wise"). Sapiens have only existed for an extremely short duration of Earth's history:

- About 13.5 billion years ago, the Big Bang brought matter, energy, time and space into this Universe. Around 300,000 years later, matter and energy fused into atoms, which then combined into molecules.

- About 3.8 billion years ago, some molecules combined to form organisms on Earth.

    - Around 6 million years ago, *human/ape-like traits* emerged, and the first *Homos* appeared in Africa 2.5 million years ago. Around 100,000 years ago, there were at least 6 *Homo species* co-habiting Earth, including the *Homo erectus* and *Homo neanderthalensis*. They looked like us (especially the Neanderthals), with big brains and moved on 2 legs.

KEY QUOTES

"Just 6 million years ago, a single female ape had two daughters. One became the ancestor of all chimpanzees, the other is our own grandmother."

- The *first Homo sapiens* appeared in East Africa about 200,000 years ago, but only started to spread outside Africa 130,000 years later. This was the start of human history, which Harari classified into *3 key revolutions*: the *Cognitive Revolution* (70,000 years ago), the *Agricultural Revolution* (12,000 years ago) and the *Scientific Revolution* (500 years ago).

The Cognitive Revolution

Homos started out like other animals, foraging for plants, small insects/animals, carrion from carnivores, and occasionally hunting larger game. *Homo sapiens* were able to move to the top of the food chain mainly due to the evolution of our language.

Language and Imagination

The main factor that set *Homo sapiens* apart from other *Homo* species was probably our unique language capabilities:

- It's *extremely flexible* and can be combined in infinite ways to deliver complex nuances and rich information about our world.

- We use it more extensively than other animals to gossip and *shape our social structures and relationships*.

- Most importantly, we can *imagine and communicate about things that don't exist*. An ape may be able to communicate to another ape that there's a lion by the river, but only a Sapien can imagine and convey that the lion is the guardian spirit of his tribe.

This ability to conceive and communicate the imaginary allows us to engage in flexible mass-cooperation.

- Bees and ants can operate in large colonies using information stored in their DNA, but they can't change these systems easily, nor cooperate based on ideas like the glory of their species.

KEY QUOTES

"Homo sapiens has grown so accustomed to being the only human species that it's hard for us to conceive of any other possibility...(we) imagine that we are the epitome of creation, and that a chasm separates us from the rest of the animal kingdom."

"The truly unique feature of our language is...the ability to transmit information about things that do not exist at all."

- Chimpanzees have social groups and alliances, but they need *intimate interaction* to build trust. This limits their groups to less than 100 (and typically 20-50). They also can't convince others to give up food now in order to gain salvation and unlimited food in chimp-heaven after they die.

- Humans, too, cannot handle >150 intimate relationships at any one time. However, we can conjure *myths and common beliefs*— be it religion, human rights or equality—to get large numbers of strangers to work together.

Most of our modern systems and institutions are built on imagined realities. A company is only real because of our imagined concepts of legal systems, profits, employees, and shareholders.

- Yet, imagined entities like nation-states and Google can reclaim land, build structures and develop new technologies to *shape the real world* around us.

- This frees us up to create and change our imagined reality, *transforming our social structures* in just 1-2 decades when other animals take thousands of years to do so via biological evolution.

Life of the Hunter-Gatherers

Agriculture and industrialization only occurred in the last 10,000- 12,000 years. Our biological, psychological and social traits were mainly shaped by how the pre-agricultural Sapiens lived.

These ancient foragers lived a nomadic lifestyle, traveling in small, intimate groups. They consumed *a wide range of foods*, from berries and roots to termites, rabbits and bison. They probably worked only 30-35 hours a week, gathering, hunting, preparing food and making tools etc. They were also probably *animists* who believed in sharing the lands with plants, animals, rocks and rivers alike.

KEY QUOTES

"Any large-scale human cooperation—whether a modern state, a medieval church, an ancient city or an archaic tribe—is rooted in common myths that exist only in people's collective imagination."

"Imagined orders are not evil conspiracies or useless mirages. Rather, they are the only way large numbers of humans can cooperate effectively."

"The average forager had wider, deeper and more varied knowledge of her immediate surroundings than most of her modern descendants…Survival in that era required superb mental abilities from everyone."

Conquering the Planet

Initially, all *Homo* species were living on the Afro-Asian landmass. With the Cognitive Revolution, Sapiens could now cross the seas/oceans. About 45,000 years ago, Sapiens flooded to other continents, bringing drastic changes to the new habitats we settled in.

- Within a few thousand years of our arrival in Australia, 23 of 24 species of *large animals* became extinct. Within 2,000 years of our arrival in the Americas, we brought extinction to 34 out of 47 genera of large mammals in N. America, and 50 out of 60 in S. America. Many other smaller species were also wiped out. The same happened in other places around the globe.

- *Other Homo species* also become extinct about 30,000 years ago.

Sapiens probably brought such massive destruction because:

- Using *fire*, we could destroy large stretches of ecology. As we change the vegetation and food sources, some animals thrived while others died out.

- *Large animals* and predators generally bred more slowly. They couldn't evolve fast enough to evade the new threat from Sapiens, nor replenish their numbers as quickly as we killed them.

- These factors amplified the impact of *climate change*, which already strained the ecosystem.

Sapiens are no doubt the most destructive species on earth. Each revolution brings a new wave of extinction. Soon, even the surviving species (e.g. sharks, whales) may die out.

KEY QUOTES

"No other animal had ever moved into such a huge variety of radically different habitats so quickly, everywhere using virtually the same genes."

"Humankind ascended to the top so quickly that the ecosystem was not given time to adjust."

"Don't believe tree-huggers who claim that our ancestors lived in harmony with nature. Long before the Industrial Revolution, Homo sapiens held the record... for driving the most plant and animal species to their extinctions."

The Agricultural Revolution

Myth of a Better Life

About 10,000 years ago, we completed the transition from foraging to settle down in farms. Farming supposedly gave us a better life, but Harari calls it the biggest fraud in history.

Farming led to poorer nutrition, more diseases, much longer working hours and a tougher life for Sapiens and other animals.

- Farmers grew a *limited range of crops*—e.g. wheat, maize, potato, barley—because these were the easiest to grow on a large scale. Malnutrition became a common problem.

- As Sapiens *domesticated animals*, the most aggressive ones were culled while the fat, submissive ones were bred. Over time, chicken, sheep, pigs and cows multiplied but lived miserably. Males were castrated or mutilated to break their spirit, females were repeatedly impregnated, and most were kept in tiny space for the short periods before they were killed.

The only advantage of farming was the increase in food per unit area. This allowed humans to multiply exponentially.

- As families grew bigger, farmers cleared more and more lands, changing the landscape and driving new species to extinction. New generations grew up without knowledge of foraging and gradually, it became *impossible to turn back the clock*.

- Throughout history, we see mankind repeating the *luxury trap*. To have a better life, we seek higher productivity, which brings "luxuries" that we soon can't live without. So, we work harder and create more tools to ease our workload, resulting in an ever-increasing pace of life.

KEY QUOTES

"The average farmer worked harder than the average forager, and got a worse diet in return."

"A series of trivial decisions aimed mostly at filling a few stomachs and gaining a little security had the cumulative effect of forcing ancient foragers to spend their days carrying water buckets under a scorching sun."

"Once people get used to a certain luxury, they take it for granted. Then they begin to count on it. Finally they reach a point where they can't live without it."

The Agricultural Revolution also brought new imagined orders.

- With food surplus and new technology, more people were packed into villages and cities, and new *kingdoms and empires* were born. Myths about royalty, imperial glory and gods emerged, holding the new social structure together.

- Unlike foragers who thought of the hills and forests as their home shared with other beings, farmers *defined their homes* as the physical houses they lived in; pests like rats and locusts were now seen as invaders of human territories.

- Farmers constantly *worried about the future*. They had to plan for planting and harvesting, store food in case of poor harvests, droughts or pestilence. 90% of the population (the peasants) *worked from dawn to dusk* while 10% of the elites (kings, priests, officials, soldiers) enjoyed the riches.

Stories Made Real

All human systems of cooperation are built on some hierarchy between people, often involving mass oppression and exploitation.

- People are constantly being *segregated*, e.g. men vs women, whites vs blacks, higher vs lower castes. Today, someone may frown upon racial discrimination, yet think it's ok to have different schools for the rich vs poor.

- *Hierarchies* give a framework for interaction, but limit individual potential. Those in the lower rungs usually lack the chance to develop their talents/skills and have to play by a different set of rules.

Every imagined order has fictions to justify its elites' privileges and behaviors. How do we know if something is real or fiction?

- Harari recommends this rule of thumb: "*Biology enables, Culture forbids*". Anything that exists (e.g. homosexuality) is biologically possible and natural, even if culture claims it's prohibited. On the other hand, if humans don't photosynthesize or fly with wings, then it's biologically unnatural.

KEY QUOTES

"While human evolution was crawling at its usual snail's pace, the human imagination was building astounding networks of mass cooperation, unlike any other ever seen on earth.

"While agricultural space shrank, agricultural time expanded."

"Most human cooperation networks have been geared toward oppression and exploitation."

"We like to see underdogs win. But there is no justice in history."

"Most people claim that their social hierarchy is natural and just, while those of other societies are based on false and ridiculous criteria."

- From a biological viewpoint, *rights don't exist*—birds fly because they have wings, not because they have the right to fly. Women can give birth, but it doesn't give them the right nor obligation to bear children.

In order to be stable, an imagined order must meet 3 criteria:

- *Exist in our material world*. Individualism is made real when we have private homes, when people recognize our contributions or seek permission to use our things.

- *Be linked to our personal desires*. Today, Romanticism and Consumerism are 2 of the biggest imagined orders. *Romanticism* teaches us find our sense of self by having more experiences—to open ourselves to more emotions, see more cultures etc. *Consumerism* teaches us to consume as much goods and services as possible, be it dining and traveling experiences or skills and knowledge. Today, your wife may want you to bring her on a romantic trip to Paris, whereas in ancient Egypt, she would've wanted you to build a tomb for her; such desires are merely reflections of our imagined orders.

- *Be inter-subjective*. An *objective reality* (e.g. gravity) exists regardless of whether we believe it. A *subjective reality* exists only in an individuals' mind (e.g. a child's imaginary friend). An *inter-subjective* reality is a subjective belief held by many people; it persists even if several people stop believing it.

Many of history's **key drivers**—law, money, gods, nations—are intersubjective. They involve a large number of believers, elite and masses alike. Often, these beliefs are so *deeply indoctrinated* from childhood that people mistake them as objective realities. The only way to change an inter-subjective belief system is to get lots of people to believe in an even bigger imaginary order, e.g. personal freedom instead of the glory of an empire.

KEY QUOTES

"Evolution is based on difference, not equality... Equally, there are no such things as rights in biology."

"Though the imagined order exists only in our minds, it can be woven into the material reality around us, and even set in stone."

"There is no way out of the imagined order. When we break down our prison walls and run towards freedom, we are in fact running into the more spacious exercise yard of a bigger prison."

Keeping Records

Other animals don't need lawyers or written rules to operate. However, Sapiens' systems are based on imagined truths which cannot be encoded in DNA.

Writing was instrumental in helping us to preserve vital data like laws, tax payments, debt and property ownership. **Numbers** also became an important form of language, allowing us to think in quantitative terms and deal with concepts like relativity and quantum mechanics which would otherwise be hard to grasp.

With more data, we needed processes to catalogue, store and retrieve the data. These gave rise to *bureaucracy and compartmentalized thinking* based on categories and labels (as opposed to free association and holistic thinking). Today, we're relying on *increasingly-smarter computers* to process data better than us. It's possible that computers can one day become intelligent enough to replace humans altogether.

The Unification of Humankind

Our culture is the sum of the instinctive ways we think and act.

- Every culture has its norms, values and beliefs. These constantly change and often clash, yet we have a unique ability to hold *contradictory beliefs and values*, e.g. we may believe in freedom and equality, yet we accept that a society needs rules and hierarchy to function.

- We tend to think of the world in terms of *"us" vs "them"*. For the bulk of history, Sapiens lived in isolated pockets, totally ignorant of others' existence. Over time, these small/simple cultures connected and gradually *converged* into fewer large/complex cultures. Today, most of us think of the planet as a whole, sharing similar concepts like nation-states, currencies, and legal systems. There are *3 major unifiers of mankind*—money, empire and religion.

KEY QUOTES

"Writing was born as the maidservant of human consciousness, but is increasingly becoming its master."

"Every culture has its typical beliefs, norms and values, but these are in constant flux."

"Over the millennia, small simple cultures gradually coalesce into bigger and more complex civilisations, so that the world contains fewer and fewer megacultures, each of which is bigger and more complex".

Money

- Hunter-gatherers and early farming communities transacted by bartering goods. However, this became exponentially more complex as more goods were involved.

Money became the solution; it allowed sellers to price their goods using a single currency, and convert anything into anything else.

- Money is an *inter-subjective reality*. It has value only because we trust others to accept it in exchange for what we want.

- We started with currencies that had value, like barley and gold/silver. As our *trust in money* grew, we moved to fiat currency with no intrinsic value, and now electronic currency with no physical existence.

Money made it possible for strangers and even rivals to cooperate. However, it also diluted human relations and values. Starving parents used to sell their kids to slavery and we tend to lose trust in people if they run out of money.

Empire

In the last 2,500 years, empires (which ruled over multiple peoples, cultures and territories) were the most common political system, and a driver of cultural convergence.

- Typically, the conquered peoples were mass slaughtered and assimilated, such that they *forgot their origins* over time. Egyptians think of themselves as Arabs, when their Egyptian ancestors were actually crushed by the Arabs in the 7th century. The Zulus in South Africa are in fact descendants from tribes that fought *against* the Zulu Empire in the past.

- The cultures that spread are usually a hybrid between that of the ruling elite and the new subjects. A *common culture* facilitates the flow of ideas/goods/people across borders, and gives the elites legitimacy for bringing a "superior culture" to the conquered lands. For example, Qin Shi Huangdi was hailed as the emperor who united China and brought the golden ages of order and justice.

KEY QUOTES

"Money is…a universal medium of exchange that enables people to convert almost everything into almost anything else."

"Money is the most universal and most efficient system of mutual trust ever devised."

"Most imperial elites earnestly believed that they were working for the general welfare of all the empire's inhabitants."

- Despite the bloodshed and loss of culture, empires often brought progress, e.g. armies and technology. Indians' democracy, command of English, railway network, legal system, cricket, tea culture etc., are all legacies from being a former British colony.

- Today, the world is still divided politically, but nation-states have much less independence, due to international NGOs, global markets and agendas like global warming and human rights.

Religion

A religion must have binding norms and values which are based on a superhuman order. It legitimizes imagined realities (e.g. "eating pork is a sin") by claiming they come from a superhuman entity.

Over time, mankind has embraced various religions. Today, most of us share certain ideologies and adopt a mix of beliefs and practices.

- *Animists* see human beings as merely one of the creatures inhabiting the world and should live in harmony with other plants and animals, e.g. cutting a tree would anger the tree spirit.

- As Sapiens became farmers, we wanted control over our animals. *Theism* (belief in Gods) emerged. Farmers treated Gods as mediators, sacrificing animals in return for a bumper harvest.

- *Polytheists* believe in multiple supreme gods (e.g. Zeus, Apollo, Hera), each with a subset of power, interests/biases and can be negotiated with. Polytheists are more open-minded and accepting of pluralist gods from other religions/cultures.

- *Monotheists* believe in only 1 supreme God; they tend to be more fanatical and missionary, often trying to discredit and even eliminate other religions. Both Christianity and Islam were beliefs held by minority groups, but were spread universally by their single-minded followers. Christians

KEY QUOTES

"As of 2014, the world is still politically fragmented, but states are fast losing their independence."

"Today religion is often considered a source of discrimination, disagreement and disunion. Yet…religion has been the third great unifier of humankind, alongside money and empires."

even prosecuted other Christians to defend their interpretation of the religion.

- *Dualism* says that there are 2 powers—a good and a bad. Many Monotheists today hold dualistic beliefs (e.g. God vs Devil, Heaven vs Hell), which were not found in the Old Testaments.

- Today, the main religion is probably *Syncretism*, i.e. the blend of ideas and practices from various sources. Most Monotheists also concurrently embrace capitalism, liberalism etc.

Humanism (the worship of humans) is the leading ideology today, coexisting with other religions. It has 3 main branches:

- *Liberal Humanism* (the most dominant) focuses on humans' sacrosanct right for freedom and equality.

- *Social Humanism* focuses on human equality in a collective way.

- *Evolutionary Humanism* focuses on our species' progress. According to science, humans have no souls or free will; human behaviors are all about hormones, genes and synapses, which can be manipulated or enhanced. If this became the dominant ideology, it could drastically change present judicial and political systems.

The Scientific Revolution

A Leap in Progress

Since the Cognitive Revolution, humans have sought to understand the universe. However, science brought a massive leap because:

- It admits that we don't know everything, and *any assumption can be proven wrong*; and

KEY QUOTES

"99 per cent of Buddhists did not attain nirvana....they devoted most of their present lives to the pursuit of mundane achievements."

"At the dawn of the third millennium, the future of evolutionary humanism is unclear."

"The willingness to admit ignorance has made modern science more dynamic, supple and inquisitive than any previous tradition of knowledge."

- It links observations and mathematical tools into *comprehensive theories*, which can then be *tested and applied* to new solutions.

By contrast, religious texts were treated as the whole and absolute truth. Lightning was believed to be a sign of Gods' wrath, until Benjamin Franklin disproved it with lightning rods. Malnutrition, disease and even death are now seen as problems to be solved by science rather than left to the will of God.

However, science is still driven by economic, political, and religious agenda. Ultimately, the people/institutions who provide the *funds* decide where to focus scientific research and how to apply the discoveries. Indeed, our explosive scientific progress can be attributed the *interaction of science, empire and capital*.

Science + Empire

From 1750-1850, several Western Europe nations became economic powerhouses. Other western nations followed suit, but not the Arab world, India and China. It was not because Europeans were technologically superior, but because science and capitalism gave them a huge appetite for exploration and conquest.

- Admiral *Zheng He* of the Chinese Ming dynasty also led many sea expeditions; in fact, his ships and fleet sizes were hundreds of times bigger than Colombus'. Yet he didn't try to conquer other countries; his focus was on exploration and assisting pro-Chinese rulers.

- Europe's series of *territorial conquests* started after European intellectuals started working with capitalists for profit. As they "discovered" distant lands, they claimed them for their kings, killing and enslaving entire populations.

- In 1517, 300 Spaniards landed in Mexico, home of the powerful *Aztec empire* with millions of people. The Spaniards pretended to be friendly diplomats, then held the Aztec king hostage while they planned a coup. By the time the Spaniards were kicked out, they had cultivated a local

KEY QUOTES

"Science is unable to set its own priorities. It is also incapable of determining what to do with its discoveries."

"Most scientific studies are funded because somebody believes they can help attain some political, economic or religious goal."

"What made Europeans exceptional was their unparalleled and insatiable ambition to explore and conquer."

"For modern Europeans, building an empire was a scientific project, while setting up a scientific discipline was an imperial project."

rebel base. Once the rebels overthrew the Aztec rulers, the Spanish colonists killed 90% of the local population and imported African slaves to fill the vacuum.

- The same story was repeated elsewhere. Being *ignorant of the outside world*, the locals didn't know what to expect. The Europeans were like aliens from space—they arrived in strange vessels, looked and smelled different. The Ottomans, Indians and Chinese also heard of the western "barbarians" but dismissed them as being too far away; the Europeans eventually invaded Asia.

Science also helped to legitimize European conquests so they could rule over populations far bigger than theirs.

- The imperialists did bring modern medicine, railroads, judiciary systems etc. to the conquered lands, and financed the study of local linguistics, botany, geography and history. These gave *ideological justifications* of progress and knowledge acquisition.

- Western scholars also used scientific theories to argue that the Aryans—tall, blue-eyed, blond, fair-skinned and super-rational— were a *superior race* meant to dominate the inferior races.

Science + Capitalism

Money can convert anything to anything else. However, the pie remains fixed if you can only use existing money to buy what already exists. The ultimate driver for our modern economy is growth, powered by credit. Credit works on the belief that something built today can bring far more returns in the future. This trust in the future allows credits to be given, creating real economic growth to generate even more trust and credit.

Capitalism says that wealth is good because it'll be reinvested in productive activities to bring even more wealth. Some even argue that the market should operate freely with no political interference.

KEY QUOTES

"Histories of botany have little to say about the suffering of the Aboriginal Australians, but they usually find some kind words for James Cook and Joseph Banks."

"The European empires did so many different things on such a large scale, that you can find plenty of examples to support whatever you want to say about them."

"Credit is the difference between today's pie and tomorrow's pie."

"This is the fly in the ointment of free-market capitalism. It cannot ensure that profits are gained in a fair way, or distributed in a fair manner."

- In reality, *the rich don't always reinvest their wealth*. Money wasted on luxuries doesn't create future growth. An unregulated business may also try to maximize profits by exploiting its workers rather than reinvest its resources.

- Without regulation, the market can create *huge bubbles*, like the Mississippi Bubble of 1719 and the US housing bubble of 2007, which brought massive losses when they burst.

Capitalism needs to be sustained by infinite growth. Can we really grow indefinitely and what will it take?

- Growth requires *resources*, e.g. energy and raw materials, which are finite. Yet, science has consistently unlocked *new* energy sources and more *efficient* ways to use current energy sources. With the right technology, we have potentially unlimited ways to tap energy from the sun, gravity etc.

- To feed our growing population, we *mass-produce animals* for food like objects in a production line. Studies show that animals *do* have social/psychological needs and can feel both physical and emotional pain. Yet, an average hen today is likely to be fed adequately, but is squeezed into such a tiny cage that it can't flap its wings or stand erect.

- With more products and services being produced, we also need more buyers. *Consumerism* encourages people consume more and more of things they don't really need. Obesity is great for business—first people spend on food, then they buy medication to lose weight or treat diseases.

Capitalism is likely to only increase the gap between the rich and the poor. Yet, similar to the Agricultural Revolution, we've come so far now that it's too late to turn back the clock.

A Permanent Revolution

Many of mankind's recent/ongoing changes are irreversible.

- There's no doubt our *ecosystem* is degenerating rapidly. We're permanently losing natural habitats and species as we convert environmental resources into energy and goods,

KEY QUOTES

"For better or worse, in sickness and in health, the modern economy has been growing like a hormone-soused teenager. It eats up everything it can find and puts on inches faster than you can count."

"Any type of energy, anywhere in the world, might be harnessed to whatever need we had, if we could just invent the right machine."

"(Animals) pass their entire lives as cogs in a giant production line, and the length and quality of their existence is determined by the profits and losses of business corporations."

"The human species and the global economy may well keep growing, but many more individuals may live in hunger and want."

"Ecological degradation is not the same as resource scarcity."

and replace the oceans and forests with roads and buildings. Wild animals are now a tiny fraction of the number of humans, domesticated animals, and other species like rats and cockroaches.

- We're now all bound to *modern clock time*. Most human activities are tied to specific timetables and templates, from school to offices, transport networks and TV programs.

- The *family and community* have been ousted by markets and nation-states. In the past, people depend on the family/ community for survival. Today, the laws, tax and other systems protect and hold us accountable as *individuals*; we can travel, communicate, have our own bank accounts etc. Our views are shaped by compulsory education, mass media and the products/services we consume. We even form new *imagined communities* like nationality (e.g. Germans vs Americans) and consumer tribes (e.g. Arsenal vs Liverpool football fans). The family has lost its central role.

- With *constant and rapid changes*, social order is now seen as a flexible concept rather a fixed ideology.

- We're enjoying more *peace* today than ever before. The average person is more likely to kill himself than to be killed by a soldier, terrorist or criminal. For the first time in history, war is unlikely, due to global trade and finance, humanist ideologies and the threat of nuclear weapons.

Intelligent design could also shape the future of evolution in at least 3 ways, potentially bringing an end of *Homo sapiens* as a species.

- *Biological engineering* is being used to modify our biology. Plants and animal genes are already being modified to increase lifespan, good fats etc. Besides transforming living creatures, scientists also aim to bring back extinct species.

- We're increasingly integrating bionic components into our bodies, such as bionic arms that are operated by thought. It's a matter of time before we can create *cyborgs* or entirely new beings.

KEY QUOTES

"It is sobering to realise how often our view of the past is distorted by events of the last few years."

"Any attempt to define the characteristics of modern society is akin to defining the colour of a chameleon. The only characteristic of which we can be certain is the incessant change."

"Real peace is not the mere absence of war. Real peace is the implausibility of war."

- *New inorganic life*. Today, computer viruses can replicate themselves in cyberspace. It's conceivable that—by design or mistake—we'll one day create a virus that can survive and evolve on its own in cyberspace, giving computers the ability to think consciously like us.

Conclusion

Lessons from History

History cannot help us to predict the future; it can only broaden our perspectives.

- It's easy to look back with hindsight and think we know why things happened. In reality, history is chaotic and *can never be predicted*. A tiny, seemingly-insignificant variable could trigger an unforeseen series of events. Even if you could accurately predict say, tomorrow's stock prices, the market will respond to your prediction and render it invalid.
- Mankind has undoubtedly transformed Earth and our realities in just a short period of time. With each revolution, Sapiens became more productive and powerful. But, *has progress brought us greater happiness?* Or has our collective evolutionary success brought only more individual suffering to ourselves and other species (like the cows and pigs in their pens and the mice in the labs)?

While none of us can individually direct history, we can seek to understand it and make conscious choices that collectively influence our future.

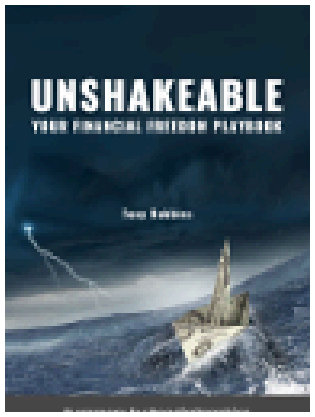
Other Details in the Book to Look out For

This book is packed with historical facts, events, research and theories. Harari uses vivid examples that transport you back to the different eras, presents various perspectives and invites you to ponder questions about mankind's rise to dominance and what it means for our present and future. In this summary, we've outlined some of these key ideas. Harari covers many other details, including facts and theories about:

KEY QUOTES

"History cannot be explained deterministically and it cannot be predicted because it is chaotic."

"History's choices are not made for the benefit of humans. There is absolutely no proof that human wellbeing inevitably improves as history rolls along…because we lack an objective scale on which to measure such benefit."



UNSHAKEABLE

Your Financial Freedom Playbook

TONY ROBBINS
(WITH PETER MALLOUK)

The Big "So What"

How do financial masters like Warren Buffett, Alan Greenspan and David Swensen win in financial markets, and what can we learn from them? Based on insights from 50 financial masters, this book explains the rules of the financial game, the key players and their agenda, and how you can ride the financial storm to arrive safely at your desired destination.

Introduction

Today's financial markets seem more volatile and uncertain than ever. Since the last financial crisis of 2008, the American stock market has been on a bull run, and people are anticipating an impending crash.

Over 7 years, Robbins interviewed some 50 financial masters, including self-made billionaires, legendary investors and the top financial minds, like Warren Buffett, Alan Greenspan, David Swensen, Ray Dalio, Jack Bogle, Mary Callahan Erdoes, T. Boone Pickens, Carl Icahn and John Paulson. This culminated in his earlier book "*Money: Master the Game*". This book, published in 2017, zooms in on the current market fears and realities, and what the average person can do to build your financial freedom. While the book is US-centric, the ideas are applicable to anyone interested to improve your financial future and retirement plans.

Being Unshakeable

What if you knew that no matter what happens to the economy, you'll be financially secure, and have more than enough for yourself, your loved ones and your contributions? That deep sense of peace and freedom is what being "unshakeable" means. It gives you control and puts you in the driver seat.

KEY QUOTES

"The decisions you will be equipped to make after reading this short book can bring you a whole new level of inner peace, fulfilment, comfort, and financial freedom that most humans only dream of achieving."

"What most people really want, regardless of how much money they have today, is freedom."

"Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver."
- Ayn Rand

"It's not just a matter of money. It's a state of mind. When you're truly unshakeable, you have unwavering confidence even amidst the storm."

In this book, Tony coaches you to make sense of the financial markets, and develop an action plan to get you to your goals. This summary is presented in 3 parts:

- Know the Rules
- Your Unshakeable Playbook
- Mastering the Psychology of Wealth

Part 1: Know the Rules

To win the game, you must know the rules. In this segment, we'll look at several important financial concepts and facts.

Financial Markets 101

Compounding is a powerful force to leverage for your financial goals. Let's look at 2 scenarios:

Person A	Person B
Invests $300 a month for 8 years (19 to 27 y.o.) at 10% compound returns per year.	Invests $300 a month for 38 years (27 to 65 y.o.) at 10% compound returns per year.
Total capital invested: $28,800 Amount at 65 y.o.: $1.86 mil	Total capital invested: $140,000 Amount at 65 y.o.: $1.59 mil

- Simply by *starting earlier*, you can harness the power of compounding to build a larger nest egg with a fraction of the capital. You can retire comfortably even with a small income.

- The key is to *pay yourself first*. Set aside, say, 10% of your monthly income for your financial freedom fund, before you pay for other expenses. Even if you're struggling financially, you can start with 3%, then gradually increase it to 10% or even 15% over time.

- As a *rule of thumb*, to be financially secure, you should aim to retire with 20x of your current income, i.e. if you earn $100,000 a year, you should aim for $2mil retirement funds.

KEY QUOTES

"You can't win this game unless you have the emotional fortitude to get in it and stay in it for the long term."

"You're never going to earn your way to financial freedom. The real route to riches is to set aside a portion of your money and invest it so that it compounds over many year."

Here are several basic terms/ concepts to know:

- *Terms*: If a market falls by ≥10% from its peak, it's called a "correction". If it falls by ≥20% from the peak, it's called a "bear market".

- There are 3 main *types of funds*:

  - *Hedge funds* are private funds for high networth clients. Fund managers usually charge 2% management fees and a profit share (of say, 20%).

  - *Mutual funds* are portfolios of stocks, bonds or assets, that are available to anyone. They form the majority of funds in the market. Such funds are actively managed by professionals, who charge fees for their services, supposedly to deliver better-than-market returns. However, we'll show later how 96% of such funds are actually underperforming.

  - *Index funds* are public funds with no "active" managers. They simply buy and hold all the stocks in an index, e.g. all 500 stocks in the S&P 500 index.

Know the 7 "Freedom Facts"

These 7 facts will help to free you from much of the irrational fear and anxiety about financial markets.

Corrections happen annually on average. Since 1900, there has been about 1 correction per year, lasting 54 days each, on average. The average correction was 13.5% (over the last 100 years) or 14.2% (from 1980-2015).

Less than 20% of corrections become bear markets, i.e. 80% do not become bear markets. Thus, corrections are a routine part of the financial markets, and are generally no cause for alarm.

Despite short-term dips, the stock market always rises in the long term. Despite an average 14.2% annual correction and major events (like the Gulf wars and 9/11), the US market showed positive returns for 27 out of the last 36 years. It's hard to be sure any stock or company will do well in the

KEY QUOTES

"The biggest danger isn't a correction or a bear market, it's being out of the market."

"The problem is, most funds do a terrific job of charging high fees but a terrible job of picking successful investments."

"The last thing you and I want is to make fear-based financial decisions."

"Once you recognize the patterns in the financial markets, you can adapt to them, utilize them, and profit from them."

"Prediction is very difficult, especially about the future."
- Niels Boh

long term, but it's safe to assume the stock market will increase in the long run so long as the economy continues to grow and expand.

No one can steadily predict if the market will rise or fall. For example, Dr. Roubini was famous for predicting the 2008 financial meltdown. But, he also incorrectly predicted a recession every year from 2004 to 2007! In the book, Robbins lists many examples of the market going in the opposite direction of "expert forecasts." The good news is, you don't need to predict the market to win. You just need to capture the natural market growth.

Historically, Bear Markets occurred every 3-5 years. There were 34 bear markets in 115 years (from 1900-2015). In less than a third of these bear markets, the index fell by more than 40%.

Bear markets become bull markets. Every bear market in US history has been followed by a bull market, including the 2008 financial crash. Since stock markets look at tomorrow (not today), the lowest point of consumer confidence is always a sign that the market will pick up. However, this may not hold true for all countries—Japan, for instance, never fully recovered to the Nikkei peak after nearly 3 decades since the 1989 crash.

The greatest risk is to be out of the market. JPMorgan found that 60% of the best US market days over the last 20 years happened within 2 weeks of the 10 worst days. In the book, Robbins illustrates how your returns could be greatly reduced just by missing the top trading days. Since you can't predict the market and get in/out successfully, you're better off staying in the market, and tapping on the power of compounding.

Know Your Costs

In the book, Robbins explains why you may be losing huge amounts of your investment to funds that overcharge and underperform.

Fees can destroy 2/3 of your gains. Most actively-managed funds charge about 2% p.a.—these add up to massively erode your gains. At 7% compounded returns, $1 should become $30 in 50 years. But, with 2% lost each year, there's less to compound, and you end up with only $10. In short, you lose

KEY QUOTES

"One of the greatest lessons I've learned from all these money masters is that you don't have to predict the future to win this game."

"The market generally rises over the long run—even though we hit a huge number of potholes along the way."

"Financial winter is always followed by spring."

"One of the most fundamental rules for achieving long-term financial success is that you need to get in the market and stay in it, so you can capture all of its gains."

"If you stay in the market long enough, compounding works its magic, and you end up with a healthy return—even if your timing was hopelessly unlucky."

"When it comes to your finances, ignorance is not bliss."

2/3 of your gains, despite bearing 100% of the capital and risks.

In fact, funds can cost more than 2% p.a. due to **taxes and other hidden costs.**

- Unless the fund is in a tax-deferred account, it's taxed every time the fund managers sell stocks at a profit. The *taxes* could be as high as 30%; that's why most funds show their pre-tax returns (rather than the lower post-tax returns).

- The 401(k) plans in the USA also come with many other *hidden fees and charges* (which we'll touch on later). A Forbes article showed that the true cost of a mutual fund could be 3.17% a year (for a non-taxable account) and 4.17% (for a taxable account).

A study of 203 funds (each with ≥$100mil in assets) revealed that, from 1984-1998, **only 4% of the funds actually beat the S&P 500 index.** In short, 96% of the fund managers didn't add value, despite charging high fees. Why is that?

- Fund managers aren't really better at *predicting* the markets than the layman. Instead, each time they trade a stock, the brokerage firms charge a *commission* for the transaction, and profits may be taxed.

- Fund managers tend to keep some cash on hand in case good opportunities surface, but this means *opportunity cost*.

Robbins recommends that you **buy index funds instead**. Such funds include every stock on the index, thus they are diversified, conduct fewer trades, don't require costly fund managers, and the cash is almost fully invested at all times.

- Index funds typically cost only 0.05%, which is 60x less expensive than an actively-managed fund with 3% fee p.a. At the same compounded returns over 30 years, $100,000 will grow to $865,000 in an index fund, but only $548,000 in an actively-managed fund.

- Even Warren Buffett himself has instructed that the trust money for his wife is to be invested in low-cost index funds after his death. So why not you and I?

KEY QUOTES

"We can't control what the markets will do, but we can control how much we pay for our investments."

-John C. Bogle

"It turns out that the professionals aren't really any better at predicting the future than the rest of us."

Rescuing our Retirement Plans

The US' 401(k) plan was created in 1984 to allow tax-deductible contributions to a retirement account. Unfortunately, this has been exploited by financial firms, at Americans' expense.

Until 2012, financial firms weren't required to disclose how much they charged clients. Even today, disclosure documents are still so complex that it's **hard to decipher the details**. 71% of Americans think they aren't paying any fees for their 401(k) plan, while 92% don't know how much they are paying.

A senior policy analyst at Demos examined 20 funds in his 401(k) plan and found that, in addition to the 3.17% fees mentioned by Forbes, there were **17 other fees and costs**. He estimated that an average worker who earned $30,000 a year and saved 5% of his income would lose more than $154,000 in lifetime fees.

- Most funds listed in the 401(k) plan are actively-managed funds that charge *recurring fees*, or even "*front-end loads*" of up to 3%. These erode your invested capital.

- Low-cost index funds aren't typically included, or are included with a huge *mark-up* (e.g. charges of 1.68% p.a. when the cost is only 0.05%, and/or with additional sales loads).

During the Obama administration, the Congress tried to force the 401(k) providers to act in their clients' best interests, but the **regulations** had nominal impact, and may be reversed under the Trump administration. Teachers, nurses, and non-profit employees could be even worse off, as their 403(b) plans aren't protected by the ERISA (Employee Retirement Income Security Act of 1974).

Robbins found that his own company's 401(k) plan cost 2.17% in annual fees. He switched to Abk, which only charged 0.65% a year, saving 70% of the original annual expenses. Robbins recommends that you **analyse your plan** at www.ShowMeTheFees.com, and switch (or encourage your employer to switch) to better options if need be.

KEY QUOTES

Who can you really trust?

Financial advisors (FAs) can offer great value in your investments, taxes, insurance etc. The challenge is to identify the ones you can trust. Learn to distinguish between 3 types of advisors:

Brokers: 90% of all FAs in America are brokers, i.e. they are paid commissions to sell products. They have to ensure their recommendations are "suitable" for the clients, but need not act in the clients' best interest. Hence, it's common for brokers to recommend products with higher commissions.

Registered Investment Advisors (RIAs). Out of more than 300,000 FAs in the US, only 10% are RIAs. RIAs have a fiduciary duty and legal obligation to act in their clients' best interests at all times. They don't earn a commission, but charge a flat fee for financial advice, or a percentage of the clients' assets under management.

Dually Registered Advisors. Unfortunately, most RIAs are registered both as brokers and fiduciaries. This means they can still make commissions while charging an advisory fee. In fact, some advisory firms have 2 arms—an RIA service and a sister company (under a different brand) that offers mutual funds. In such cases, the RIA tends to be biased toward the sister company funds.

The best option is an RIA who's a true fiduciary—someone who'll put your interest first, and has the necessary skills/experience. Use these 7 questions to filter your FAs:

- Are you a **Registered Investment Advisor**? [If "no", walk away.]
- Are you/your firm affiliated with a **broker-dealer**? [If "yes", walk away.]
- Does your firm offer **proprietary mutual funds or separately managed accounts**? [If "yes", be extra-cautious.]
- Do you/your firm get **third-party compensation** for recommending specific investments? [If "yes", be extra-cautious.]
- What's your **philosophy** on investing? [Make sure your philosophies are aligned (e.g. if they believe in stock-picking vs

KEY QUOTES

diversification), and find someone you can relate to on a personal level.]

- What **financial planning services** do you offer beyond investment strategy and portfolio management? [Ideally, the FA can also help you to save money on mortgage, insurance, taxes etc. as your wealth grows. Check their *credentials* to ensure they have the right skills, e.g. certified financial planners, or estate planning attorneys.]

- Where will my money be held? [An RIA should use a **third-party custodian** to hold your funds. Look for a *strong track record* for other clients like you.]

Robbins recommends Creative Planning (which is run by co-author, Peter Mallouk, and for which Robbins is a board member and Chief of Investor Psychology) as a good FA option to consider.

Part 2: Your Unshakeable Playbook

The Core Four

Success leaves clues. By modelling the patterns of successful people, you can shorten your learning curve. From his interviews, Robbins found 4 key principles that all great investors use to guide their investment decisions. He calls them the "Core Four".

The principles may seem simple, but the challenge is to actually apply them, and enter an investment only if it meets all 4 criteria.

Don't Lose. It's much harder to make back what you've lost than to protect your investments. The best solution is to *diversify your asset allocation*, such that you're ok even if the market moves in an unexpected way. Only consider an investment if you can minimize the downside.

Asymmetric Risk/Reward. "High-risk, high-return" is an investment myth. The smartest investors look for opportunities where the *rewards greatly outweigh the risks*. For instance, Richard Branson started Virgin Atlantic Airways by negotiating a deal that allowed him to return the planes if the business didn't work out—this minimized his downside

KEY QUOTES

"The key is to recognize these consistently successful patterns and to model them... These patterns provide the playbook for your success."

"The more money you lose, the harder it is to get back to where you started."

"These winning investors always seek to risk as little as possible to make as much as possible. That's the investor's equivalent of nirvana."

while preserving his upside. You can apply this principle by investing in undervalued assets during times of extreme gloom and pessimism. That's one of Warren Buffett's strategies, though he typically restructures his investments to further improve the asymmetry.

Tax Efficiency. Taxes can easily wipe out 30% or more of your investment returns. Rather than look at pretax returns, you should maximize your *net returns*. As a rule of thumb, stay away from actively-managed funds that trade a lot.

Diversification. Don't put all your eggs in one basket. You can diversify *across asset classes* (e.g. real estate vs stocks), *within asset classes* (e.g. different types of stock), and *across markets, countries, currencies, or time*.

Prepare for the Bear Market

Surviving a bear market is 90% preparation and 10% staying calm during the storm. Co-author Peter Mallouk shares how Creative Planning handled the 2008 crisis, and grew the firm's assets-under-management from $500mil in 2008 to more than $1.8mil in 2010, and $22 bil in early 2017. You can use the same approach and principles to prepare for and survive the next bear market.

Customize your asset allocation to meet your goals, based on your unique financial situation, and to minimize your tax liabilities. Your portfolio could include these components:

- *Stocks* are basically partial ownership of businesses. In the short run, stocks are completely unpredictable. But in the long-run, economic growth always drives up stock prices. Thus, the key is to live within your means, so you won't be forced to sell your stocks during a bear market to free up cash.

- *Bonds* are money that you loan to a government, company or other entity. Your returns will depend on the risk and duration of the loan. Bonds are less risky, but the yields are also generally low. During the 2008 crisis, Creative Planning sold some of the clients' bonds to buy stocks.

KEY QUOTES

"It's not what they earn that counts. It's what they keep. That's real money."

"You can never know what the stock market will do. But that uncertainty isn't an excuse for inaction."

"Bear markets are either the best of times or the worst of times, depending on your decisions."
- Peter Mallouk

"A simple rule dictates my buying: be fearful when others are greedy, and be greedy when others are fearful."
- Warren Buffett

- *Alternative investments* are anything other than cash, stocks or bonds, and can include: Real Estate Investment Trusts (REITs), Private Equity Funds, Master Limited Partnerships, Gold, Hedge Funds.

Creative Planning uses these "**Core and Explore**" principles:

- *Asset allocation drives returns*. Work with a qualified advisor to customize your mix of stocks, bonds, and alternatives. Diversify your portfolio by investing in different asset classes, so you balance out the risk characteristics and rates of return, to get your overall desired returns at an acceptable risk level.

- Always have a *financial cushion*, so you won't be forced to sell your stocks at the wrong price. Creative Planning uses the "rule of seven", i.e. ideally have 7 years of income set aside in income-producing investments (e.g. bonds and MLPs), so you can use these assets in the short term if the stock market crashes.

- Use *index funds* for the core of your portfolio, and explore other stocks and alternatives at the margins.

- *Rebalance* your portfolio (say, annually) to keep it to your original asset allocation.

Putting the above in place will allay some of your fears and prepare yourself to weather a bear market.

Part 3: Mastering the Psychology of Wealth

Neuroscientists found that the parts of our brain that process financial losses are the same ones that deal with mortal threats. During a financial crisis, our fight-freeze-flee instinct kicks in and we sabotage our own financial goals. The solution is to establish systems to neutralize our natural human tendencies, e.g. Paul Tudor Jones sets up checklists and systems to ensure he sticks to his success formula: only go for hard trades with asymmetric rewards/risk of 5:1, and stick to his target entry/exit prices.

KEY QUOTES

"The short-term outlook may look dire, but the stock market always rebounds."

"The single biggest threat to your financial well-being is your own brain."

"Psychology either makes you or breaks you, so it's imperative to have a robust system that enables you to stay on target."

Mastering your Mind: Overcoming 6 Common Mistakes

Positive Biases. Humans find evidence to support what we already believe (confirmation bias) and place more value on what we already own (endowment effect). To avoid biases toward stocks/funds that we like/own, *seek differing opinions* from qualified people. Ask questions like: What am I missing? What's the downside? Who else can offer a deeper perspective?

Recency Bias. Investors tend to assume the recent trends will continue into the future. Thus, they tend to buy high during a bull market and sell low during a bear market. To avoid poor, emotional choices, *create a list of simple rules*, so you can rebalance and stay on target when you're emotional.

Overconfidence. We tend to overestimate ourselves, including our ability to predict the future or pick the right stocks. Be honest with yourself—acknowledge that you're unlikely to outwit the top investors or beat the market. Instead seek to *capture the market returns* and invest in index funds instead.

Greed & impatience. We've explained why long-term compounding is the smartest way to invest. Yet, we fall for media hype and take gambles in hope of quick gains. Short-term speculations always lose out to *long-term investing*. Guy Spier recommends that you stop watching the market and financial news daily; instead, check your portfolio only once a year, so you'll maintain a long-term focus.

Home bias. We tend to invest more in what we're familiar with, e.g. our own country or industry. *Diversify broadly* into different asset classes and countries. Write down why you own what you own, as a *reminder* to yourself when things look less rosy.

Negative Biases. Humans tend to recall negative experiences more vividly than positive ones (negativity bias), and we feel twice as much pain from losses than pleasure from gains (loss aversion). During market turmoil, we're flooded by fear of potential losses. To overcome this, *be prepared*—put the above measures in place, and have a seasoned FA who'll keep you on-track during tough times.

KEY QUOTES

"Investors project out into the future what they have most recently been seeing."
- Warren Buffett

"By admitting to yourself that you have no special advantage, you give yourself an enormous advantage!"

"The best way to win the game of investing is to achieve sustainable long term returns."

"The single best way to handle market turmoil—and the fears it can trigger—is to be prepared for it."

Real Wealth

Money is just the means to an end. Fundamentally, all of us desire an amazing life; we want to be rich not for money per se, but for the *emotions* associated with money, e.g. freedom, respect, security. Robbins ends the book by sharing how we can achieve both financial and emotional wealth, by mastering 2 additional skills:

Achievement (mastering your external world):

- When you *focus* fully on something, your brain will find a way to help you achieve it.
- *Take massive action*, and refine your approach to find an effective strategy. Studying role models speeds up your learning.
- The more you're grateful for *Grace* (or luck/God) in your life, the more it flows to you.

Fulfilment (mastering your internal world):

- *Progress*: To be happy, you must keep growing.
- *Give*: The key to fulfilment is to satisfy our inherent desire to contribute.

In fact, there's one decision that you can make to start transforming your life this instant: choose to be in a Beautiful State of mind (where you're alive, in harmony with yourself and feel positive emotions like love, joy, gratitude, ease, and fun), rather than a Suffering State (where you're stressed, worried, frustrated, fearful etc.).

- Our **suffering** is triggered by thoughts of *loss* (or potential loss), having *less* of something we value, or believing we can *never* have something we want (e.g. love, respect).
- You can choose a beautiful state of mind, simply by **shifting the focus** of your thoughts.
  - *90-second rule*: Once you catch yourself having negative thoughts and tension, take a breath, step away from the situation, and focus instead on something (anything) that you appreciate. Don't allow the negative thoughts to fester.

KEY QUOTES

"Real wealth is emotional, psychological, and spiritual."

"Wherever your focus goes, your energy flows."

"The more you acknowledge grace in your life, the more you seem to have it!"

"Everything in life either grows or dies."

"I can tell you the secret to happiness in one word: progress."

"If you make the decision to master your own mind, you'll be mentally equipped to handle whatever challenges come your way."

"Take all your negative thoughts and all of your negative emotions, trade them for appreciation, and your whole life changes in an instant."

- Use the *2-minute gratitude meditation* to transfer your negative charges to positive charges. A guided recording of the 7-step meditation is available at www.unshakeable.com.

Other Details in the Book to Look out For

In the book, Robbins offers many illustrations and examples to reinforce his message. He also recommends additional resources such as:

- Get free podcasts and videos at www.unshakeable.com, including a free mobile app to help you work out how much you need to save and invest to reach your financial goals;
- Analyze your 401(k) plans and fees at Abk's website www.ShowMeTheFees.com; and
- Get a non-obligatory assessment from one of Creative Planning's wealth managers at www.getasecondopinion.com, to see if your current advisor is indeed working in your best interest.

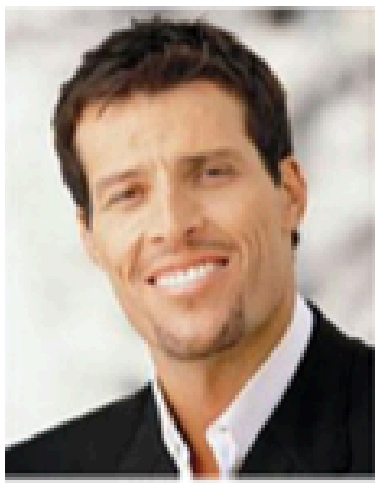
KEY QUOTES

"I truly believe that success without fulfilment is the ultimate failure."

"Remember: money doesn't change people. It just magnifies who they already are."

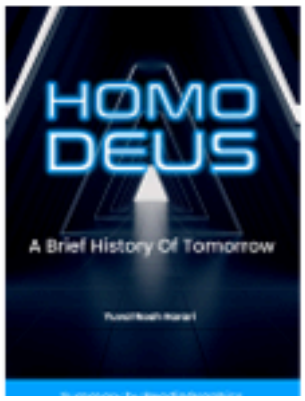
"If you fail to master your own psychology, you may ultimately become the victim of a costly form of financial self-sabotage."

About the Authors



Anthony ("Tony") Robbins (born 1960) is an American businessman, best-selling author, and philanthropist. He's an authority on the psychology of leadership, negotiations and organizational turnaround, and has served as an advisor to leaders around the world for more than 38 years. He has also created the #1 personal and professional development program of all time, and more than 4 million people have attended his live seminars.

He has been honored by Accenture as one of the "Top 50 Business Intellectuals in the World"; by Harvard Business Press as one of the "Top 200 Business Gurus", and he was recently named in the top 50 of Worth Magazine's 100 most powerful people in global finance. For more details, visit www.tonyrobbins.com.



HOMO DEUS

A Brief History of Tomorrow

YUVAL NOAH HARARI

The Big "So What"

Today, Homo sapiens have dominated the world, and brought famine, plague and war under control. Where will we channel our ambitions next, and what could happen as we progressively tweak our genes and incorporate artificial intelligence into our world? In this book, Harari examines our past, present and future, and highlights some difficult questions and choices that could shape our collective future.

Introduction

Over the last century, humans (*Homo sapiens*) have conquered our biggest enemies—famine, plague and war—and ruled the planet as the dominant species.

- In ancient Egypt or medieval India, severe droughts could wipe out 5-10% of the population. The 2 world wars killed about 100 million people, while the "Spanish Flu" wiped out about a third of the global population.

- Today, while millions of people still suffer from hunger or malnutrition, few actually starve to death. Diseases like SARS, Ebola and AIDS are contained, war is rare and people value political, social and economic stability. In fact, more people die today from obesity than from starvation; from old age than from infectious diseases; and from suicide than warfare.

In a healthy, prosperous and harmonious world, what will humans focus our attention on? Will our desire for growth, eternal youth and happiness ironically bring an end to our species? Harari presents his thoughts and arguments through a range of questions, examples, facts and theories, and highlights several

KEY QUOTES

"Given our past record and our current values, we are likely to reach out for bliss, divinity and immortality—even if it kills us."

"Famine, plague and war... are no longer unavoidable tragedies...Instead, they have become manageable challenges."

"Previous generations thought about peace as the temporary absence of war. Today we think about peace as the implausibility of war."

"If incidences of famine, plague and war are decreasing, something is bound to take their place on the human agenda."

questions that could shape our collective outcomes—before it's too late. In this summary, we've distilled and organized the key ideas into 2 parts: "How humans conquered the world" and "Where are humans headed?".

Part1: How Humans Conquered the World

Homo Sapiens: the Dominant Species

Homo sapiens are the first species to single-handedly **change the world's ecology** in 4 billion years since life first appeared on Earth. The appearance of the first Homo sapiens quickly drove other Homo species into extinction. Today, 90% of the large animals around the world are either humans or our domesticated animals. There are only 200,000 wild wolves vs 400 million domesticated dogs, 900,000 African buffaloes vs 1.5 billion domesticated cows.

Over time, our beliefs, ideologies, and relationship with other living creatures have evolved:

Archaic Hunter-gatherers ⟺ *Animism*. Our first sapiens ancestors were probably animists, i.e. they saw humans, animals, plants, rivers and even stones, as an integral part of the ecosystem and landscape.

Agricultural Revolution ⟺ *Theism*. Theists argue that Gods created the universe, favoured humans over other species, and provided us with all we needed. During the Agricultural Revolution, Theism was popularized, and mankind started to see ourselves as a special species. Animals were domesticated, and offered as sacrifices in return for the Gods' blessings. In ancient Egypt, medieval China and biblical Israel, certain "classes" of humans were also treated like "lesser animals", and were enslaved and tortured.

Scientific Revolution ⟺ *Humanism*. As mankind developed new understanding of chemistry, biology and physics, Gods were slowly removed from the picture. Humans can now heal ourselves, improve crops, forecast the weather—all without the Gods' assistance. With science and antibiotics, we could breed thousands of cows, chickens, pigs etc. and pack them into cramped spaces without

KEY QUOTES

"Instead of fearing asteroids, we should fear ourselves. For Homo sapiens has rewritten the rules of the game."

"The farm thus became the prototype of new societies, complete with puffed-up masters, inferior races fit for exploitation, wild beasts ripe for extermination, and a great God above that gives His blessing to the entire arrangement."

"We can be quite certain that humans will make a bid for divinity, because humans have many reasons to desire such an upgrade, and many ways to achieve it."

major epidemics. In the eyes of other animals, humans may well be gods.

Homo Deus ⟺ *Techno-ism?* With plague, famine and war under control, Harari believes that humans will seek to attain eternal youth and bliss. To upgrade ourselves, we'll tweak our biology and develop artificial intelligence (AI). Yet, are these modified super-humans, Homo Deus, really human? We'll discuss this later in Part 2.

Homo Sapiens: Who are We, Really?

Humans want to believe that we're special, and the most commonly used reasons are: humans have eternal souls and/or consciousness, while animals have neither.

Monotheists argue that humans have **eternal souls**; when we die, our souls move on to salvation or damnation. However, there has been *no way to prove* that humans indeed have a soul.

Another argument is that Homo Sapiens have a **conscious mind**. We can perceive subjective experiences (including sensation and desire) and combine them to form a stream of consciousness, to feel "overwhelmed", "fulfilled", etc.

- Consciousness is *proven as a real phenomenon*. When something happens, the body produces electrons and biochemical responses, to give us sensations and desires. Thus, by examining the brain, scientists can tell if someone is awake or sleeping, and if he's afraid or angry; we can even differentiate between the brain neurons associated with different ideas.

- However, as of 2016 when the book was published, we can't explain *how* consciousness is formed, nor what *role* it plays in our evolution. Thus, we can't assume that animals and inorganic beings (e.g. computers) can't be or become conscious.

  Animals like monkeys and dogs certainly demonstrate intelligence and awareness. Lab rats were distressed by other rats being held captive and found ways to free them. A chimpanzee at a Swedish zoo could devise various strategies to discreetly hide objects and throw them at

KEY QUOTES

"The belief that humans have eternal souls... is a central pillar of our legal, political and economic system."

"From an evolutionary perspective, the closest thing we have to a human essence is our DNA...This terrifies large numbers of people, who prefer to reject the theory of evolution rather than give up their souls."

"Desires are nothing but a pattern of firing neurons."

"Scientists don't know how a collection of electric brain signals creates subjective experiences."

visitors. In 2015, both New Zealand and Canada officially recognized animals as sentient beings, and more countries may follow suit.

Can *inorganic beings* like computers and robots get sophisticated enough to develop consciousness? The Turing Test says that, if you were to communicate simultaneously with a computer and human, and are unable to distinguish which is which, then the computer has a mind. At the end, it's what we *think* is real that matters. If a computer *seems* to think and act like a human, we're likely to believe it has consciousness.

Harari argues that **all organisms are algorithms**, including humans, i.e. we use a methodical set of steps to make calculations, solve problems and reach decisions. Our brains make rapid decisions daily, using *complex algorithms* that combine an analysis of our surroundings, past experiences, motives etc. That's how you assess if you can dash across the road before an oncoming car reaches you, how a rabbit decides if it's better to dash across a field or try to hide from a nearby fox.

Many of these algorithms are woven into our **genetic makeup** from millions of years of evolution. For example, mammals are built to care for their offspring, and their young intuitively suckle and bond with the adults. Human children who grow up in loving, secure families are more likely to become confident and secure adults. Baby monkeys separated from their mothers became attached to soft, fluffy objects like dolls/blankets, and those without affection grew up to be dysfunctional adults.

Theism gave humans justifications for domesticating other animals. However, it doesn't change the fact that animals have **social, emotional and primal instincts**, just like us.

- For example, wild boars are intelligent, social mammals that need to play and mingle as a group. Their descendants, domesticated pigs, are also smart with *emotional/social needs*. Yet, sows in industrial farms often live their entire lives being locked in tiny crates; each time they give birth, they're separated from their piglets in just 2-4 weeks (a fraction of the natural 10-20 weeks' nursing cycle).

- Humans may be more intelligent and powerful than other animals, but does that *justify* how we treat them? If a

KEY QUOTES

"It won't matter whether computers will actually be conscious or not. It will matter only what people think about it."

"The Agricultural Revolution gave humans the power to ensure the survival and reproduction of domesticated animals while ignoring their subjective needs."

"What makes the fate of domesticated farm animals particularly harsh is not just the way they die, but above all the way they live."

superior species Homo Deus were to emerge, will they treat Homo Sapiens the same way?

If humans are algorithms, don't have eternal souls nor special consciousness, then how did we conquer the world? Harari argues that we became the dominant species because of our unique **ability to organize ourselves** flexibly and in large numbers.

Homo Sapiens: Giving Meaning to the World

Our ability to **imagine, create stories and meaning** allows us to organize ourselves unlike other species.

- Bees and ants work well in large numbers, but they can't change the structure of their colonies easily. Other animals like elephants and chimpanzees can cooperate flexibly, but only in small groups. Humans have the unique ability to *cooperate flexibly and in large numbers*, because we're the only species that can create meaning, invent and spread stories.

- Human communities can *create norms and shared beliefs*, e.g. "if you sacrifice 10 goats, you'll get a good harvest", or "if you kill someone, you'll go to hell". Since people treat the beliefs as reality, we can predict how strangers will behave, and organize people on a large scale, to create legal systems, stock-markets, global trade, etc.

Same algorithm, different stories. Human stories change, but the algorithms behind how societies are organized remain the same.

- Our *social algorithm* goes like this: Decisions are made by a network of people, fronted by a figurehead, and carried out in the name of a bigger idea that gives meaning to the masses.

- However, the *story* behind the algorithm changes, e.g. ancient Egyptians believed in Pharaohs and Gods, while modern people believe in brands like Google. Yet, 12,000 years ago, Gods functioned like big corporations—they owned land, paid salaries and built infrastructure. People prayed to the Pharaoh to alleviate floods, but the real solutions came from coordinated efforts by temple priests

KEY QUOTES

"To the best of our knowledge, only Sapiens can cooperate in very flexible ways with countless numbers of strangers."

"All large-scale human cooperation is ultimately based on our belief in imagined orders."

"If we want to understand our future...we must also decipher the fictions that give meaning to the world."

"No other animal can stand up to us, not because they lack a soul or mind, but because they lack the necessary imagination."

"Fictions enable us to cooperate better. The price we pay is that these same fictions also determine the goals of our cooperation."

and the masses, to build dams and canals. In many ways, the Pharaoh was no more than a powerful brand.

- What matters to people in one era can become *useless* in another. Zeus and Hera were all-powerful in the past, but just myths today. Likewise, our modern-day ideas of human rights and democracy may seem strange to people a few centuries later.

Written language is powerful; it seems more real, can spread knowledge, shape reality and misrepresent truths. In fact, when text and reality clashes, reality sometimes loses.

- For example, in the late 19th century, European powers divided up the African territories, but the borders drawn on paper didn't reflect the realities in Africa. When the discrepancies were discovered years later, the authorities decided to stick to the paper agreement, which became the new reality.

- Computer algorithms will make it even harder to differentiate fiction from reality, and amplify the impact of stories at an increasing pace.

Human societies are held together by **a web of meaning.**

- There are *2 types of reality*. An objective reality affects everyone, whether they believe it or not, e.g. the law of gravity. A subjective reality depends on personal beliefs and feelings, e.g. our beliefs about God or money.

- Our shared stories are reinforced in a *self-perpetuating web*, e.g. what it means get married in a church, or vote in an election. The more people believe them, the more they're practiced and the beliefs are reinforced.

- You can set up a system for any goal (e.g. equality, preservation of life, making money), and create *stories and criteria* to justify how well it's doing. For example, a school with higher average marks is considered a better school, even if marks may not reflect the quality of education.

Science vs Religion. Science and religion do not clash; instead, they complement each other.

KEY QUOTES

"History isn't a single narrative, but thousands of alternative narratives. Whenever we choose to tell one, we are also choosing to silence others."

"Written language may have been conceived as a modest way of describing reality, but it gradually became a powerful way to reshape reality."

"Stories are just tools. They should not become our goals or our yardsticks."

"We want to believe that our lives have some objective meaning... Yet in truth the lives of most people have meaning only within the network of stories they tell one another."

"Instead of changing their stories to fit reality, (bureaucracies) can change reality to fit their stories."

- *Science* gives us *power*, using fact-based solutions to produce food, cure diseases, and fight wars. However, it can't make ethical judgments to tell us *how* to act.

- *Religions* are basically rules that're attributed to a wider moral law, and may not necessarily relate to Gods. They provide *order*, by offering ethical values, subjective goals, and guidelines on what we should do. Most *religious stories* have 3 parts: (a) ethical judgements e.g. "human life is sacred", (b) factual statements e.g. "human life starts at the point of conception", and (c) a merger of the 2 parts to form practical guidelines e.g. "you must not allow abortion once you've conceived".

  While science can't make ethical judgements, it can *validate* if religious facts are accurate. For example, many Christians and Jews believe that the book of Leviticus was dictated by God to Moses, and no word was added/deleted since. However, scientific studies suggest that the Bible is a collection of texts by different human authors, written years after the events described, and compiled into a holy bible long after biblical times.

  - Science and religion can and should *co-exist*. Harari argues that to stay relevant, religions must understand modern technology, so they can guide people on real-world issues, like: What can we do when artificial intelligence replaces our jobs? Where do we draw the line for gene enhancements and life extensions? Traditional religions that fail to do so may well fade into oblivion.

With the power to create meaning and scientific solutions, humans can choose to do anything. The purpose we serve, the stories we choose, and our ability to separate fact from fiction, will shape our collective social, political and economic outcomes.

Part 2: Where are Humans Headed as a Species?

In the book, Harari touches on various developments and perspectives that are shaping our future, and the dilemmas that they bring.

KEY QUOTES

"Religion is created by humans rather than gods, and it is defined by its social function rather than by the existence of deities."

"Religion is any all-encompassing story that confers superhuman legitimacy on human laws, norms and values."

Capitalism and Growth

Capitalism has brought mankind amazing growth, progress, power and control. However, we're now faced with a dilemma: continuing our growth will likely lead to a total ecological collapse, but stopping the wheel of growth can crash our global systems.

Credit is a key building block of our modern economy. It's given in faith that someone will deliver better results in future, and return the credit with interest. Farmers take loans to buy new seeds and fields, people invest their money in stocks, etc. As new ventures succeed, people have even more faith in the future, credits become more accessible and our economy grows.

Capitalism assumes the wheel of growth will spin constantly and indefinitely. Yet, can the ecology support our rapid growth? Although science has constantly delivered new sources of energy, raw materials, and improved production methods, we face a real threat of total **ecological collapse**, which could wipe out all our systems, and even mankind itself.

- We're stuck in a *catch-22 situation*: we want faster progress and growth, yet we must slow down to avoid an ecological collapse.

- Since the rich want more money, and the poor are the first to suffer in an economic slump, *growth continues to trump ecology*. Beijing's air pollution now supports a growing air-purification market; the rich buy air-purifiers and build protective structures over their buildings, while air quality worsens. For all our talk of global warming, greenhouse gas emissions continued to grow at 2.2% annually from 2000-2010. The USA (the top global polluter) refused to ratify the 1997 Kyoto protocol for emissions reduction.

The Humanist Revolution

Humanism is the dominant religion today—it places humans at the centre of the universe, and judges if something is good or bad based on the impact on us. We no longer depend on the Gods and religious scriptures to tell us what's good or right. Instead, we believe in our free will, and depend on our inner feelings and desires to guide our

KEY QUOTES

"Credit is the economic manifestation of trust."

"An ecological meltdown will cause economic ruin, political turmoil, a fall in human standards of living, and might threaten the very existence of human civilisation."

"We talk a lot about global warming, but in practice humankind is unwilling to make the serious economic, social or political sacrifices necessary to stop this catastrophe."

decisions. Even those who believe in God choose to do so, because their inner voice tells them God exists.

There are **3 main sub-branches** to Humanism.

- *Socialist Humanism* advocates having strong collective institutions (e.g. unions) to consider the overall impact on our societies/world.

- *Evolutionary Humanism* advocates leaving things to natural selection—let the superior Homo sapiens win, so mankind gets stronger as a species.

- *Liberalism* advocates that every human being should be free to express his/her unique inner voice. As of 2016, Liberalism is in the lead, manifested in the ideologies of human rights, individualism, democracy and the free market.

However, Liberalism is built on **2 key ideas**, both of which are myths:

- It assumes humans have *free will* and thus should have free choice. But in reality, we can't control our thoughts/ feelings. Our brains' electro-chemical impulses can also be manipulated, and such interventions are already being used in medical treatments and performance enhancements.

- It assumes we are holistic beings with a *single mind*. The truth is, we are full of inner conflicts and can literally be of many minds. Kahneman found that we have 2 selves: an *experiencing self* (which feels our full experiences) and a *remembering self* (which recalls only parts of our experiences, mixes them with other memories or impressions, and develops stories about them). Our decisions are made by the remembering self.

Harari believes Liberalism will die, and humans will lose our value as unique individuals, with **3 possible developments:**

- As computers become more intelligent, *humans lose our value altogether*. Google's self-driving cars are already a reality. Robots, 3D printers and automations have replaced manual workers, and are slowly replacing service jobs. IBMS' AI system, Watson, can even diagnose diseases faster and more effectively than humans. While AI algorithms are

KEY QUOTES

"In 2016 the world is dominated by the liberal package of individualism, human rights, democracy and the free market."

"If organisms indeed lack free will, it implies that we can manipulate and even control their desires using drugs, genetic engineering or direct brain stimulation."

"If I had more than one authentic voice, how would I know which voice to heed?"

"When mindless algorithms are able to teach, diagnose and design better than humans, what will we do?"

still flawed, these are technical issues which can be fixed. Since organisms are algorithms, and it doesn't matter what material the algorithmic calculator is made of, it's possible for non-organic algorithms to someday replicate or surpass humans.

- We *no longer assert our individualism* but stay relevant as a collective species. We're already depending more and more on external algorithms (e.g. wearable technology, mobile apps) to make our decisions, including travel routes, purchases, customizing our diet plans or medication dosage. The more data/access we give to these algorithms, the more accurate their predictions, until one day they can know us better than we know ourselves. Once that happens, we're likely to leave our decisions to the algorithms, rather than look inward to our "true selves". The algorithms may even manipulate how we feel and think, while retaining our illusion of free will.

- A small group of *elite, upgraded superhumans* may emerge to dominate other humans using technology and computer algorithms. The overall level of healthcare, productivity etc. will probably become better, but the gap between the elites and masses will be significantly widened.

KEY QUOTES

"The same technologies that can upgrade humans into gods might also make humans irrelevant."

"Humans will no longer be autonomous entities... Reality will be a mesh of biochemical and electronic algorithms, without clear borders, and without individual hubs."

The New Human Agenda

Besides our need for never-ending growth, humans also have ambitions for immortality (eternal youth) and lasting happiness.

"As long as people die of something, we will strive to overcome it."

Eternal youth. In the past, people accept death as part of our spiritual metaphysical experience. Today, life is increasingly seen as a fundamental human right. We seek *medical solutions* for everything from cancer to Alzheimer's, and find ways to *reduce deaths* from crime, accidents etc. Even Google Ventures is investing in life sciences and *life-extension*.

Happiness is now also seen as a basic human right, and people demand the freedom to pursue their bliss. Yet, finding true happiness isn't easy. On a *psychological level*, rising expectations make it hard for people to feel content. On a *biological level*, we can induce positive feelings by manipulating our biochemical system (using drugs, alcohol, mental stimulants, etc.). However, these effects don't last, and

"If science is right and our happiness is determined by our biochemistry system, then the only way to ensure lasting contentment is by rigging this system."

we're likely to seek new ways to tweak our biology to make the pleasurable effects more permanent.

A New World of Homo Deus and Techno-Religions

As Liberalism gets ousted, and humans push for ever more growth and biological upgrades, new techno-religions could emerge:

Techno-humanism still recognizes humanity at the apex of creation, but uses technology to create the superior Homo Deus with eternal youth and happiness. This may be done through:

- *Biological engineering*, e.g. rewriting our genetic codes, rewiring our brains, or growing new body parts.
- *Cyborg engineering*, to merge our organic bodies with non-organic devices, e.g. bionic hands or artificial eyes.
- *Creation of non-organic beings*, with minds that're so different, we can't fathom how they'll work, just like how our cavemen ancestors couldn't imagine stock markets or smart phones.

In the process of upgrading our bodies and brains, we may end up with a new species of superhumans with an entirely different mind.

Data religion: Dataism is about using computer algorithms to turn massive amounts of information into knowledge and wisdom.

- By tracking what people search online, Google can already detect new epidemics faster than health organizations. Imagine if we could capture the algorithms of organisms and entire ecologies (e.g. beehives, human cities, and forests) and input all the data into a central-processing system. What new outcomes, systems and structures will this give birth to?
- Homo sapiens may be better than other animals in absorbing and using algorithms, but we're likely to be obsolete in the world of Dataism. Yet, the more data is connected, the more

KEY QUOTES

"In pursuit of health, happiness and power, humans will gradually change first one of their features and then another, and another, until they will no longer be human."

"Technological progress has a very different agenda. It doesn't want to listen to our inner voices. It wants to control them."

"As the global dataprocessing system becomes all-knowing, and all-powerful, so connecting to the system becomes the source of all meaning."

we can't resist plugging into the system, further accelerating the trend.

Where do we go from here?

Most of Harari's ideas above are not prophecies, but a projection of our possible futures, based on lessons from our own history. Our choices today are what will define our future outcomes.

The paradox of knowledge. In the 19th century, Karl Marx predicted the collapse of capitalism. His diagnosis sparked awareness and changes over the years, contributing to an opposite outcome to his prediction. By sharing the possible futures of mankind, Harari hopes to shape our knowledge, understanding, choices and actions, so we can collectively change the future.

Nonetheless, **reversing these trends** will not be easy, because:

- Everything is *interconnected*, and there's no single brake to pull.
- There's *no clear line* between "good" vs "bad", healing vs upgrading. For example, Viagra started out as a treatment for blood pressure, and plastic surgery emerged after World War I to treat facial injuries.
- We face *real dilemmas* e.g. the need for growth vs ecological preservation, our desire for technological advancements vs the concern of losing control.
- In our quest for power/control, we've given up the wider meaning/ purpose that held societies together for millennia. What should be the *new higher purpose* that guides our collective choices today, and can we rally ourselves around a common goal?

There are no easy answers to these issues. Harari hopes that this book will spark discussion and debate to make us more conscious of the technologies we use and the choices we make, before the future becomes inevitable.

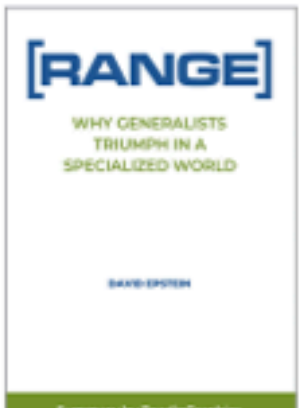
KEY QUOTES

"This prediction is less of a prophecy and more a way of discussing our present choices."

"Since no one understands the system any more, no one can stop it."

"Healing is the initial justification for every upgrade."

"To attain real happiness, humans need to slow down the pursuit of pleasant sensations, not accelerate it."



RANGE

Why Generalists Triumph in a Specialized World

DAVID EPSTEIN

The Big "So What"

In this book, Epstein challenges conventional wisdom that success is best achieved through hyperspecialization, and children should be nurtured in a specific field as early as possible to give them a head-start. He uses stories and research studies to show why/how "range" can be equally (if not more) critical for long-term success in a complex world.

Introduction

The book opens with the stories of 2 sports superstars—Tiger Woods and Roger Federer—who represent specialization vs range.

- *Tiger Woods'* father saw him as a golf prodigy. He began training Tiger at the young age of 2, and devoted his life to nurturing his son into a golf superstar. Tiger is the perfect example of specialization—selecting a path early and accumulating hours of targeted training to become outstanding in an area.

- *Roger Federer* became a tennis legend even though he started much later. When he was young, he tried all sorts of sports, e.g. skiing, swimming, wrestling, skateboarding, basketball, badminton, soccer, etc. He was talented in tennis, but only chose to focus on the sport when he was 12 years old.

- Epstein argues that Roger's *circuitous path* to success is common but less publicized. There're many other sports icons who tried different sports before settling on one (e.g. Tom Brady, Nick Foles) and some even mastered

KEY QUOTES

"In the wicked world, with ill-defined challenges and few rigid rules, range can be a life hack."

"Tiger has come to symbolize the idea that the quantity of deliberate practice determines success—and its corollary, that the practice must start as early as possible."

multiple sports (e.g. Ester Ledecká who won gold for skiing *and* snowboarding at the same Olympics).

Specialization vs range. We're often told that high achievers stick to one career path and persist till they succeed. We frown upon those who keep changing jobs.

- *Hyperspecialization* is about focusing on 1 area and using deliberate practice to hone your skills. It suggests that there's a linear path from A to B, and the earlier you train in a specific domain, the higher your chances of success.

- Epstein argues that specialization is overrated. Instead, he makes the case for "*range*": to accumulate diverse skills/ experiences that culminate in a late specialization that fits with your unique strengths and preferences. People who pursue this path tend to go through a relatively unstructured "sampling period" where they try different things, develop various skills and learn about themselves.

- He suggests that *both specialization and range are essential* for progress and fulfillment. In fact, range can be even more valuable when we encounter complex, unprecedented problems.

- The book is organized into 12 key chapters. Epstein doesn't directly state the takeaways, but uses stories and examples to broadly suggest why/how wide-sampling and late-specialization work. In this summary, we've distilled the main ideas and examples into *12 sections/themes* below.

KEY QUOTES

"Mental meandering and personal experimentation are sources of power, and head starts are overrated."

"We know that early sampling is key, as is diversity."
—Ross Tucker

The Case for Developing Range

Head-starts are overrated

There're many stories of iconic figures who had a head-start since young, e.g. Mozart with music, Mark Zuckerberg with computers. Laszlo Polgar also took the world by storm when he "experimented" with his 3 daughters and successfully trained/home-schooled them to become champion chess players.

- Stories like Polgar's and Tiger Woods' advocate that you *start as early as possible* and use deliberate practice to develop your skills. However, chess and golf are *not* representative of all critical skills/domains in life.

- Psychologists Gary Klein and Daniel Kahneman independently studied the relationship between experience and expertise. They found that *experience didn't always lead to expertise*, especially where human behavior and patterns weren't clearly repetitive.

The key lies in the *nature* of the environments/challenges. Psychologist Robin Hogarth calls these **kind vs wicked learning environments**.

- *Kind learning environments* refer to situations where (i) patterns are repeated regularly, and (ii) feedback is both immediate and accurate. Certain games, music and sports (including golf and chess) occur in kind learning environments: they have clearly-defined rules/boundaries, and observable cause-effect outcomes that allow learners to improve through repetition.

- *Wicked learning environments* refer to situations where (i) the rules of game are unclear/incomplete, (ii) there may or may not be repetitive/obvious patterns, and (iii) feedback tends to be delayed and/or inaccurate. In wicked environments (e.g. financial markets), past patterns don't predict the future and experience may teach you the wrong lessons.

- Experts are strong in their domain because they've learned to recognize patterns in split seconds. Those advantages disappear if they're placed in a new environment, or if there's a *change in status quo*. For example, an elite footballer may appear to have superhuman reflexes because he recognizes patterns in ball/body movements to help him to anticipate what'll happen. This reflex disappears when he plays a new/unfamiliar sport.

In wicked environments, **narrow specialization can even become a disadvantage**.

- Experts may get so used to certain approaches that they *stick rigidly* to them even when the "proven" methods no longer work.

KEY QUOTES

"Whether or not experience inevitably led to expertise... depended entirely on the domain in question."

"Kind learning environment experts choose a strategy and then evaluate; experts in less repetitive environments evaluate and then choose."

"As complexity increases... we also need more people... with range."

- It's also easier to replicate a narrow specialization than broad know-how. So far, *artificial intelligence (AI)* has been able to trump humans in narrow, tactical areas with clearly-defined parameters. For example, machines have already beaten human experts in chess—which is orderly, rule-bound and mainly tactical. However, in undefined, open-ended scenarios with imperfect data and a lack of clear rules (e.g. a game of warcraft), humans still have an edge due to our ability to think strategically and integrate information creatively.

In short, for every person who succeeds with a head-start, you can find a late-bloomer who succeeds without it. Balance the need for specialist knowledge with the risk of rigid thinking:

- *Vary the challenges* within your domain. Don't assume that old patterns will remain the same.

- Broaden your perspective by keeping 1 foot *outside your domain* at all times. Draw on outside experiences and analogies, and deliberately apply the knowledge from one domain to another.

Complexity in the modern world

Professor James Flynn found that our average IQ scores have increased by 3 points every decade in the 20th century, with improvements mainly in the areas of **abstract thinking, problem solving and reasoning**. This was supported by other studies:

- Psychologist Alexander Luria found that people in modern societies *think differently* from those in pre-modern villages. For example, the villagers could only grasp tangible concepts that related directly to their daily activities. When they were presented with a hammer, a saw, a hatchet, and a log, they couldn't see how the first 3 items could be "tools" since they were useless without the log. They also couldn't see how 4 dotted lines could form a square.

- People in post-industrialization societies are much more flexible in our thinking and can use layers of *abstract*

KEY QUOTES

"Our greatest strength is the exact opposite of narrow specialization. It is the ability to integrate broadly."

"The challenge we all face is how to maintain the benefits of breadth, diverse experience, interdisciplinary thinking, and delayed concentration in a world that increasingly incentivizes, even demands hyperspecialization."

"[Premodern villagers] were perfectly capable of learning from experience, but failed at learning without experience."

"Great rewards will accrue to those who can take conceptual knowledge from one problem or domain and apply it in an entirely new one."

concepts and categories to develop complex models. The word "percent" was barely found in books in 1900, but appeared once in every 5000 words by the year 2000. Computer software and digital devices are all built on abstract concepts and symbols.

- Increasingly, standard and repetitive problems will be automated and solved by machines. On the other hand, complex problems will require the ability to *think fluently across domains*.

To solve complex problems in the modern world, you need (i) a range of tools and experience, as well as (ii) the ability to think critically and integrate ideas across domains. Learn ***how*** to think, not just *what* to think.

KEY QUOTES

"Everyone needs habits of mind that allow them to dance across disciplines."

Wide-sampling for learning and creativity

High-achievers don't succeed overnight. They, too, have to go through phases of learning and discovery.

- The *figlie del coro* was a group of female musicians in Venice known for their musical versatility. The best of them (e.g. Anna Maria della Pietà) became celebrities across Europe. Figlie were actually orphans taken in by the orphanage Ospediale della Pieta. They spent the bulk of their time on chores and regular work. However, during their formal music lessons (3x a week) and music study (1 hour a day), they learned to sing and play *every* instrument in the institution. This ability to play multiple instruments was core to their musical skills and versatility. When famous musician Pelegrina della Pietà lost her teeth in her sixties, she had to give up the oboe but could continue to perform on the violin.

- Many paths to music excellence actually start with a *sampling period* where the student has lightly-structured lessons and is exposed to a range of activities/ instruments. Focused, highly-structured, intense practice comes later. In fact, the most accomplished students typically play at least 3 instruments. For example, famous cellist Yo-Yo Ma moved from the violin to the piano before settling on the cello.

"The sampling period is not incidental to the development of great performers...it is integral."

When skills are learned/applied across a range of contexts, it develops abstract mental models that learners can apply in new situations. *That* is the root of creativity.

- Jazz music is much less structured than classical music. A classical piece may be perfected through practice (by repeatedly identifying and correcting errors), whereas jazz music requires *improvisation and creativity*. That's why it's generally easier for a jazz musician to learn classical music than vice versa. The improvisation process is similar to how babies learn to talk—they pick up the sounds *before* learning about grammatical rules.

- Django Reinhardt learned music from observation and *trial-and-error*. At 18, he was injured in an accident and had to try new ways to play without using his left pinkie and ring finger. This sparked a burst of creativity. Reinhardt never learned to read music, yet he could compose an entire symphony by playing each instrument part on his guitar for another musician to transcribe.

KEY QUOTES

"The more context in which something is learned, the more the learner creates abstract models, and the less they rely on any particular example."

"Improv masters learn like babies: dive in and imitate and improvise first, learn the formal rules later."
—Jack Cecchini

Fast vs slow learning

Parents and teachers are often overly-focused on instant results. In reality, the most effective learning strategies are slow and effortful.

- In pedagogy, there are *2 key types of questions*:

  (i) Procedural questions that help students to practice something they've learned, e.g. applying a formula to different math problems.

  (ii) Connection questions that help students to grasp a broader concept, e.g. why a formula works in different situations.

- In both cases, the students must *figure out the answers* on their own for the insights to "stick". When teachers offer hints, they actually hinder the students' ability to learn deeply.

"What you want is to make it easy to make it hard."
—Nate Kornell

"Frustration is not a sign you are not learning, but ease is."

Specifically, learning strategies that create "desirable difficulties" have been proven to enhance long-term learning:

- *Interleaving* is about mixing up the topics instead of studying them sequentially in blocks. For example, instead of repeatedly studying 1 artist's works, it's better to intermix works from several artists. This helps you to discern their differences, so you can learn to match the right strategies to different problems.

- *Spacing (or distributed practice)* is about splitting your practice into a few sessions instead of cramming everything into 1 session. It's harder to recall something when you return to it after some time, which is precisely why it's more effective for encoding the information into your long-term memory.

- The *generation effect* is about testing yourself and generating answers on your own (even if they're wrong). The most effective learning happens when an answer you're confident about turns out to be wrong.

In short, learning that's challenging, slow and frustrating in the short-term tends to yield better results in the long-term. On the other hand, short-cuts that boost immediate performance (e.g. hints, cramming) tend to undermine long-term results.

Handling never-seen-before situations

Deep analogical thinking is about identifying conceptual similarities across seemingly-different situations. This helps us to think through and understand a problem that we have no experience with.

- *Johannes Kepler's* Laws of Planetary Motion gave birth to modern astrophysics. At that point, gravity hadn't been discovered yet, and it was still widely-believed that the universe's planets moved at a constant speed around Earth. Each time he got stuck, Kepler used analogies to consider a new perspective. For example, he likened planets to "moving souls", imagined how "light-like forces" could cause planetary motion, and how planets could attract/repel one another like "magnets".

KEY QUOTES

"For knowledge to be flexible, it should be learned under varied conditions."

"Short-term rehearsal gave purely short-term benefits... Repetition, it turned out, was less important than struggle."

"Learning is most efficient in the long run when it is really inefficient in the short run."

"Analogical thinking takes the new and makes it familiar, or takes the familiar and puts it in a new light, and allows humans to reason through problems they have never seen in unfamiliar contexts. It also allows us to understand that which we cannot see at all."

"In a wicked world, relying upon experience from a single domain is not only limiting, it can be disastrous."

- The more analogies you consider, the more you're likely to arrive at a creative solution. Try this famous cognitive exercise: *Duckner's radiation problem*.

  - Imagine you're a doctor. Your patient has a tumor that can't be operated upon. You can use a certain ray to destroy the tumor. However, it must be applied at a high level of intensity which will also destroy the healthy tissues that it passes through. What can you do?

  - Most people are stumped by this challenge initially, but can solve it after being given 2 analogies. First, a large army was split into groups so they could take many small roads to converge at the fortress they were attacking. Second, many villagers put out a big fire by simultaneously pouring a bucket of water each into the fire. With these analogies, the solution to the tumor may suddenly seem obvious: use multiple rays of lower intensity to target the tumor from different angles. This will produce a high-enough combined intensity to destroy the tumor without killing the surrounding tissues.

Inside vs outside views. Studies have found that humans make poor judgements when we focus narrowly on details in front of us. The more internal details you have about a scenario (e.g. the physical qualities of a race-horse, or the background/details of a politician running for election), the more likely you'll predict that the scenario will occur. By contrast, when you explore outside views, examine structural similarities between your scenario and other remote scenarios, you make better judgements.

In short, you can use analogical thinking to address new, unfamiliar challenges. Good analogical thinking requires that you (i) refer to multiple examples from different and distant domains, and (ii) look beyond superficial/obvious features to identify the deep structural similarities.

Know when to quit

Late-specialization isn't bad. In fact, it may be vital for match quality—the fit between your work and your abilities/ dispositions.

KEY QUOTES

"A problem well put is half-solved."
—John Dewey

"Successful problem solvers are more able to determine the deep structure of a problem before they proceed to match a strategy to it."

- *Van Gogh* spent the bulk of his life exploring and failing in many areas—as a student, art dealer, bookseller, teacher, preacher and aspiring pastor. At the age of 33, he enrolled in art school, but dropped out and developed his own artistic style. When he passed away at 37, his works were only just starting to be recognized. He became truly famous only after his death. Likewise, other late bloomers (e.g. Gaugin and J.K. Rowling) thrived in spite of (or possibly *because of*) their late start.

- After studying of thousands of college graduates, economist Ofer Malamud found that match quality improved when *students* had more sampling opportunities. English and Welsh students specialized early since they had to apply for a specialized program to enter college. On the other hand, Scottish students could spend their first 2 years studying different fields and continue sampling thereafter. The results showed that: (i) English and Welsh graduates were consistently more likely to leave their career fields compared to their Scottish peers, and (ii) Scottish graduates started out with fewer specialized skills and a lower salary, but quickly caught up.

Having said that, isn't persistence important for career success? Psychologist Angela Duckworth found that grit (a combination of passion and perseverance) was a better predictor of whether cadets would complete the "Beast Barracks"—the West Point's training program—compared to the military's Whole Candidate Score.

- Epstein pointed out that the Army's goal was to nurture career senior officers, not Beast survivors. Unfortunately, about half of West Point graduates were leaving active military service after 5 years (once they were allowed to). West Point professors believed there could be an issue with match quality: high-potential candidates may perform well in the military, but they also had great career options outside the military, and ultimately chose to pursue those options.

- In short, *grit isn't always good*. It may predict whether you complete a course or win a contest, but it can become an obstacle to match quality. Instead of persisting on every task/path, sometimes it's good to quit if you're clearly on the wrong track. Just don't quit as an easy way out.

KEY QUOTES

"Exploration is not just a whimsical luxury of education; it is a central benefit."

"If we treated careers more like dating, nobody would settle down so quickly."

"We fail when we stick with tasks we don't have the guts to quit."
—Seth Godin

"The important trick...is staying attuned to whether switching is simply a failure of perseverance, or astute recognition that better matches are available."

Experiment to discover your possible selves

We're often told that we should have a clear vision for the future, then work backwards to develop a plan. For career successes, a short-term, trial-and-error approach may work better.

- Frances Hesselbein (former CEO of the US' Girl Scouts, then CEO of Peter Drucker's leadership institute) is one of the most respected CEOs of her time. She didn't have formal business training, but is always open to new ideas/experiences, and constantly seeks to *learn something from each new experience*.

- Hesselbein's journey is not uncommon. The Dark Horse Project found that many successful people had circuitous career paths instead of direct, linear ones. They use *short-term planning* to leverage available opportunities that match who they were *at that time*. They only developed long-term goals after periods of self-discovery.

So, instead of rigidly following a fixed plan, it's better to continually uncover new possibilities by experimenting in different domains. This makes sense because:

- Our traits/characteristics change depending on the *context*. For example, a child can be passive at home but aggressive in school.

- We also *change with age and experience*, even though we can't predict how we'll change. Psychologist Dan Gilbert uses the term "end of history illusion" to describe how humans are able to retrospectively make sense of how we've changed in the past, but are unable to conceive our future changes.

- Professor Herminia Ibarra recommends using real-life experiences to *test and learn* who you are, rather than relying on personality tests and introspection to choose your ideal career.

KEY QUOTES

"First act and then think. We discover the possibilities by doing, by trying new activities, building new networks, finding new role models."
—Herminia Ibarra

"We learn who we are in practice, not in theory."

"The precise person you are now is fleeting, just like all the other people you've been."

"Test-and-learn, not plan-and-implement."
—Herminia Ibarra

Tap on the outsider advantage

Specialists may not always have the best solutions to complex, technical problems. Outsiders can have an advantage, regardless of whether they have any domain knowledge.

- *InnoCentive* is an open-innovation and crowdsourcing platform that posts challenges for the public to solve (usually for a prize). Using this platform, the Alaska-based Oil Spill Recovery Institute found a simple, practical solution for the oil spills that had contaminated Alaska's coasts for almost 20 years. The solution came from John Davis, a chemist who recalled how he used a vibrating rod to keep concrete from solidifying, and proposed a similar solution to whip up the oil spills so they could be removed.

- *Jill Viles* suffered from a genetic disease that led to muscular dystrophy, but doctors couldn't explain why the gene affected her more severely than her family members. Viles researched widely and managed to establish that she had Emery-Dreifuss (with a mutation of the lamin gene). Since Emery-Dreifuss was linked to heart problems, she quickly sought help for her father's irregular heartbeats and ended up saving his life. Several years later, she noticed that sprinter Priscilla Lopes-Schliep had an unusual lack of fat on her limbs, like herself (except Priscilla had much more muscle). She managed to connect with Priscilla and prove her hypothesis that they both had partial lipodystrophy (another rare disease). In fact, Priscilla could've suffered a pancreatitis attack if her condition had not been highlighted. Through her own observations and research, Viles uncovered answers and saved lives in a way specialists couldn't.

We can facilitate discoveries by creating opportunities for specialist information to be made available to outsiders. The latter is in a better position to unlock creative solutions by (i) reframing the problem with a fresh perspective, and (ii) synthesizing the ideas across vastly-different fields.

KEY QUOTES

"Knowledge is a double-edged sword. It allows you to do somethings, but it also makes you blind to other things that you could do."
—Pedro Domingos

"Big innovation most often happens when an outsider who may be far away from the surface of the problem reframes the problem in a way that unlocks the solution."
—Karim Lakhani

Combining breadth and depth

Epstein uses 3 stories to share ideas about creativity.

Nintendo's engineering strategy is largely shaped by Gunpei Yokoi. Yokoi knew he had limited engineering capabilities and couldn't fight head-on with competitors' cutting-edge technology. So, he used "lateral thinking with withered technology", i.e. to re-imagine and combine old technology (that's cheap, widely available and understood) in new and creative ways. For example, screens from common LCD calculators were used to create a portable handheld game which led to the popular Game Boy. In an industry that focuses on specialized know-how, Nintendo succeeds by using existing technology in fresh ways. Yokoi believed that lateral and vertical thinkers are both valuable, and are the strongest when they work together.

One of 3M's top inventors, Andy Ouderkirk, set out to identify the ideal inventor profile. He found 3 types of inventors at 3M. *Specialists* focus on a narrow area (e.g. a specific type of plastics) and tend to have patents only in that area. *Generalists* integrate ideas from different domains and tend to have patents in diverse areas. *Polymaths* are a hybrid between generalists and specialists—they have a broad range and at least 1 area of depth.

- Specialists thrive in problems that're well-defined and well-understood, but generalists and polymaths do better where there's more ambiguity and uncertainty. *Polymaths* are the most likely to win the esteemed Carlton Award.

- To facilitate the *cross-fertilization of ideas*, create opportunities for specialists to develop range. Ouderkirk himself was a chemist, but acquired a breadth of experience when he worked with >100 teams in his first 8 years at 3M.

In a study of what made comic books successful, the researchers found that breadth of experience matters, especially when it resides in 1 individual.

- The creators' *breadth of experience* mattered more than the length of experience, as the former affected the level and quality of innovation.

KEY QUOTES

"Specialization is obvious: keep going straight. Breadth is trickier to grow."

"Seeding the soil for generalists and polymaths who integrate knowledge takes more than money. It takes opportunity."

"A diverse group of specialists cannot fully replace the contributions of broad individuals."

- An *individual creator* with experience in ≥4 genres was more innovative than a team whose members jointly have experience in ≥4 genres. This could be because it's easier for an individual to integrate diverse experiences in his/her head.

Don't be fooled by expertise

In 1984, psychologist and political scientist Philip Tetlock began to collect thousands of predictions by 284 experts. He found that most experts were terrible forecasters, regardless of their specialty, experience, or academic degrees.

- *Expert* forecasts were consistently wrong—both for short-term and long-term forecasts, and across all domains. Events that were declared impossible (or nearly impossible) still happened 15% of the time. Things that were supposed to happen with certainty failed to happen >25% of the time. In fact, the more famous the expert, the more likely they were wrong.

- By contrast, *integrators* who researched and combined the insights from various experts generated better forecasts on most fronts, especially for long-term predictions.

- Tetlock called them "*foxes*" vs "*hedgehogs*". Generally, foxes who knew many things tended to outperform hedgehogs, because the former could combine different viewpoints into their analyses, allowing them to calibrate their predictions more accurately.

Tetlock also identified several characteristics of great forecasters:

- The best forecasters were both (i) *foxy individuals* who were curious about everything and had a wide range, and (ii) *effective collaborators* who actively shared information and discussed predictions. They saw their ideas as hypotheses to be tested—instead of convincing others that they were right, they invited others to prove them wrong, thus accelerating their team's learning.

KEY QUOTES

"Good judges are good belief updaters. If they make a bet and lose, they embrace the logic of a loss just as they would the reinforcement of a win."
—Philip Tetlock

"The foxiest forecasters were impressive alone, but together they exemplified the most lofty ideal of teams: they became more than the sum of their parts. A lot more."

- To improve your forecasting abilities, *don't just focus on internal details* of the event being investigated. Instead, (i) examine distinctly different events with deep structural similarities, and (ii) study failed predictions to learn what went wrong.

Know when to drop familiar tools

The Carter Racing case study is widely used in MBA programs. Teams are told the importance of an upcoming race, and given data (including the ambient temperature) of 7 engine failures that occurred of out 24 races. Although the last 2 races went smoothly after some fixes, the team didn't know if the problem was resolved. They now have a short time to decide whether to proceed with the race.

- In the real-world, we often have to make important decisions under time pressure, with incomplete information. In fact, this case study was designed based on NASA's 1986 Challenger shuttle explosion. A key question was whether ambient temperature affected engine failure. The data for the 7 failures would've suggested that temperature didn't matter, and students invariably made their decision based on this data. If they had asked for additional data for races *without* engine failures, they'd have seen a clear pattern: engine failures had occurred in every race below 65F, meaning a 99.4% chance of engine failure at the present temperature. Rather than focusing only on the data in front of you, you must consider *what vital data may be missing*.

When we're under pressure, we tend to regress to habitual responses (e.g. methods, tools, actions) that we're the most comfortable with. This could lead to disastrous results.

- For example, *firefighters* are so used to their equipment that they won't drop it even when they're fleeing from an out-of-control fire. Bogged down by the heavy gear, many firefighters perish.

- Likewise, every organization has certain *cultural responses* that people default to. In NASA's Challenger tragedy, one of the engineers had argued strongly against the launch.

KEY QUOTES

"[The Carter Racing case study is]...a stark lesson in the danger of reaching conclusions from incomplete data, and the folly of relying only on what is in front of you."

"When you don't have any data, you have to use reason."
—Richard Feynman

Unfortunately, his views were dismissed as he didn't have the quantitative data to back up his claims. The NASA team was so used to thinking quantitatively that they ignored the qualitative evidence.

- To build a more *effective problem-solving culture*, you must become aware of your default/standard practices, then develop forces that'd push you in the opposite direction. This helps to expand your range and make it easier to drop irrelevant habits/tools when you face unfamiliar challenges.

Be a deliberate amateur

Best-practices and guidelines are useful, but don't allow them to restrict you. Epstein argues that the most creative thinkers tend to have a playful streak that allows them to explore freely and transcend conventional boundaries.

- Nobel Prize winner Andre Geim uses "Friday night experiments" to try out *random, crazy ideas*. Most don't amount to anything, but a few sparked ideas that led to serious innovations. For example, his attempt to use Scotch tape to rip thin layers of graphite led to the development of graphene: a material 100,000x thinner than human hair and 200x stronger than steel.

- *Don't be too serious or perfectionistic*. Occasionally allow yourself to slip into "limited sloppiness", e.g. infuse a different style into your work even if it's "improper". Pretend you're a beginner, or intentionally veer off your original path to see what may surface.

- After focusing deeply on a subject/area, take time out to *study other topics*, so you don't become limited to a narrow sphere.

- In reality, we can't predict what type of information will lead to future breakthroughs. Instead of insisting on immediate, concrete applications for every discovery, approach your experiments with a *spirit of discovery and curiosity*.

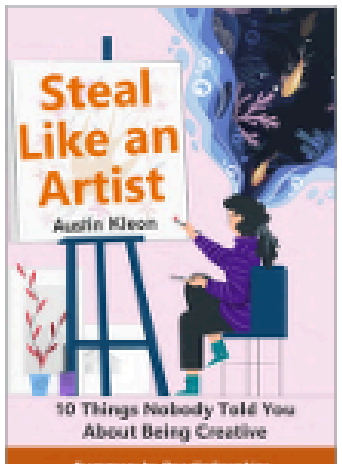
KEY QUOTES

"There are no tools that cannot be dropped, reimagined, or repurposed in order to navigate an unfamiliar challenge…it is, of course, easier said than done. Especially when the tool is the very core of an organization's culture."

"An enthusiastic, even childish, playful streak is a recurring theme in research on creative thinkers."

"Truly original discoveries in science are often triggered by unpredictable and unforeseen small findings."
—Yoshinori Ohsumi

"Be careful not to be too careful or you will unconsciously limit your exploration."
—Max Delbruck



STEAL LIKE AN ARTIST

10 Things Nobody Told You About Being Creative

Austin Kleon

The Big "So What"

How can you ignite your creativity and make your ideas truly shine? This book presents transformative insights to shift your mindset, remix ideas into innovative solutions, discover your authentic voice, and unlock your full creative potential. Whether you're an artist, entrepreneur, or someone seeking fresh inspiration, this book empowers you to thrive with meaningful and authentic creations.

Introduction

In this book, artist and writer Austin Kleon redefines creativity by showing that all great ideas are built upon the foundations of what came before. Creativity isn't about conjuring something from thin air. It's the deliberate process of borrowing ideas, reimagining them, and building upon them to create something truly unique.

Kleon's own work is inspired by icons like Pablo Picasso and T.S. Eliot, who openly embraced the idea of creative borrowing. Kleon combines their wisdom with his practical experiences to present 10 key ideas that empower readers to curate their influences, find their voice, and produce work that feels fresh and authentic.

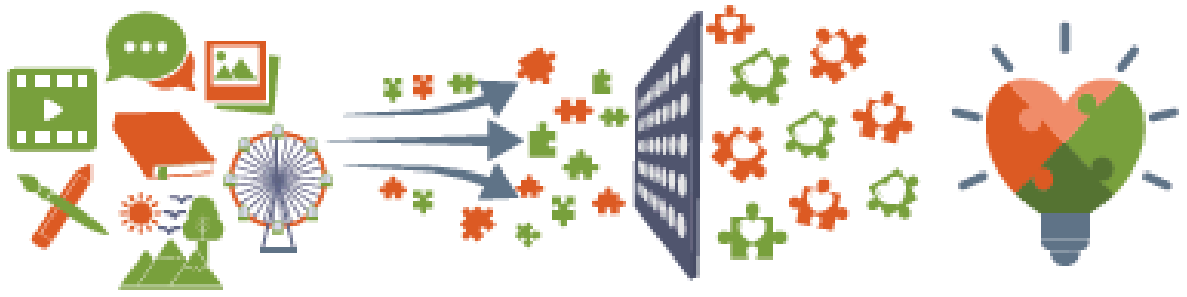
KEY QUOTES

"The only art I'll ever study is stuff that I can steal from."
—David Bowie

"What is originality? Undetected plagiarism."
—William Ralph Inge

10 Big Ideas to Unleash Your Untapped Creative Potential

1. *Curate, then Create*



There's no such thing as a completely "original" idea; every new concept is built on something that already exists. Creativity is about blending existing elements in refreshing or unexpected ways.

- Consider *genetics*: You inherit genes and traits from both your parents, yet you are different from them due to your unique life experiences. Likewise, creativity is about combining inherited ideas with your own perspective to produce something distinctive.

Not all ideas are worth borrowing. True creators master the art of selective stealing.

- Unlike hoarders, who collect indiscriminately and create clutter, real artists are *discerning collectors*. They selectively gather ideas that they love and resonate deeply with, then combine them to create something unique, meaningful, and authentic.

KEY QUOTES

"All creative work builds on what came before. Nothing is completely original."

"Every new idea is just a mashup or a remix of one or more previous ideas."

"Hoarders collect indiscriminately, artists collectselectively. They only collect things that they really love."

- When curating your influences, don't worry about what's "good" or "bad." Just *focus on inspires you* and feels worth stealing.

Here are several practical tips for curating inspiration:

- We become the average of the 5 people we spend the most time with. So, surround yourself with *people, ideas, and objects that uplift and inspire you*.
- Carry a digital or analog notebook with you, and jot down good ideas as you encounter them. Great ideas can come from anywhere—films, books, music, paintings, architectures, nature, or daily conversations. Gather these ideas to create your *personal scrapbook or swipe file* of good ideas and inspirations.
- *Adopt an open, learning mindset*. Read widely, question deeply, and explore the world with wonder and curiosity.
- *Use the internet* to search for virtually any answer or solution.
- *Form your "creative lineage"* by studying the work of artists, writers, and creators you admire. Look for themes or patterns to understand what makes their work interesting and unique.

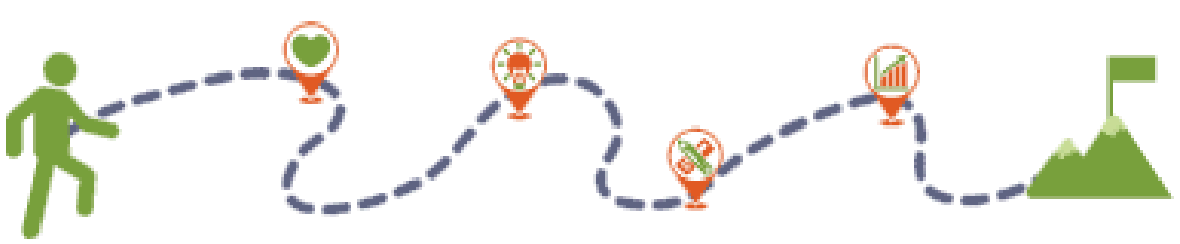
(i) Start with a role model you truly respect. Learn everything you can about them.

(ii) Identify 3 people they admired and learn about them too.

(iii) Keep expanding your "family tree" of creative lineage.

(iv) When you're ready, start your own branch in that tree, by blending their influences into your unique perspective. Return frequently to this lineage as a source of support and inspiration for your work.

2. Start Before You're Ready



Start creating *now*. Don't wait the perfect opportunity or until you feel "ready".

KEY QUOTES

"You're only going to be as good as the stuff you surround yourself with."

"Steal from anywhere that resonates with inspiration or fuels your imagination... Select only things to steal from that speak directly to your soul. If you do this, your work (and theft) will be authentic."
—Jim Jarmusch

"Don't worry about doing research. Just search."

"It is better to take what does not belong to you than to let it lie around neglected."
—Mark Twain

"In my experience, it's in the act of making things and doing our work that we figure out who we are."

- Creativity flourishes through *action, not perfection*. When you first start to create something, you'll have no idea what you are doing. It is by doing that you develop your skills and discover your style.

- It is normal to feel insecure or like a fraud. This is known as the *imposter syndrome*, where you feel like a phony who's just winging it. Just push through it by taking action regardless.

Fake it until you make it. Show up consistently and keep doing the work, even if it feels messy or imperfect.

- Keep creating until you craft something meaningful. *Keep rehearsing* at being the person you aspire to be. Eventually, your actions and reality will align with your vision.

- Everything we know is learned from someone else. Before you can be a master of your craft, you must *first be an apprentice* who studies and emulates others.

Know the difference between good theft (copying) vs bad theft (plagiarism).

- *Good theft* is about reverse-engineering something to uncover how it works. It involves deeply analyzing others' work and successes, then adapting and reshaping the ideas to create something new, while acknowledging and giving credit to those sources.

- *Bad theft* is about claiming others' work as your own, such as superficially mimicking someone's work, undermining its originality, and misrepresenting it as your creation.

There are 2 aspects to copying:

- *Who to copy*: Look to the role models, thinkers, and creators you deeply admire. Learn from multiple sources and integrate their influences to create something different.

- *What to copy*: Go beyond surface-level mimicry. Instead, study the thought processes and worldview behind the work. Seek to understand the principles that shape their style or approach, so you can integrate these insights into your own work.

KEY QUOTES

"You're ready. Start making stuff."

"Your style will emerge over time as you create and develop your skills."

"You have to dress for the job you want, not the job you have, and you have to start doing the work you want to be doing."

"All the world's a stage. Creative work is a kind of theater. The stage is your studio, your desk, or your workstation."

"If you have one person you're influenced by, everyone will say you're the next whoever. But if you rip off a hundred people, everyone will say you're so original!"
— Gary Panter

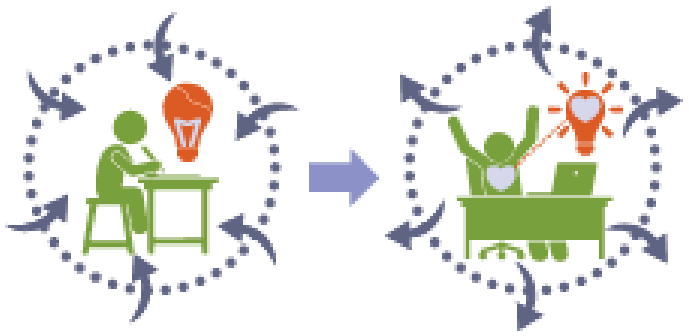
"If you just mimic the surface of somebody's work without understanding where they are coming from, your work will never be anything more than a knockoff."

Find your unique voice by studying the differences between your heroes' work and yours.

- No matter how hard you try, you can never replicate your heroes' work perfectly—and that's a good thing. *Pay attention to the gaps* between their work and yours, then focus on amplifying those differences to nurture your unique style.
- Build on the foundation provided by your heroes, to *create something that's undeniably yours*.

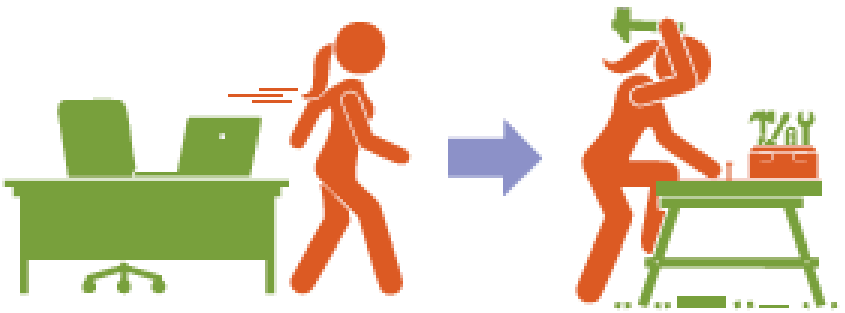
3. Create What You Wish Existed

Don't create what you think you *should* create. Instead, focus on what you love and what excites or inspires you. Create the things you wish existed in the world.



- Instead of writing what you know, channel your passions and desires into *writing what you love and care about*. This ensures your work feels authentic and meaningful.
- Ask yourself: What *would you have loved your heroes to create*—either on their own or as part of a collaboration? Then, go make them yourself.
- If you feel frustrated by the gaps in an area or the lack of options, *fill that void* with your own voice or creation. This is how you contribute your unique skills and perspective to create something both meaningful and impactful.

4. Engage Your Body & Senses



KEY QUOTES

"The best advice is not to write what you know, it's to write what you like. Write the kind of story you like best—write the story you want to read."

"Draw the art you want to see, start the business you want to run, play the music you want to hear, write the books you want to read, build the products you want to use—do the work you want to see done."

Creativity involves the entire body, not just the mind. Great artists, musicians, and leaders engage their entire bodies when they create, perform, or inspire.

- Movement stimulates your senses and sparks creativity. Sitting still at a computer for hours isn't the ideal way to generate ideas. Instead, *step away from the screen* occasionally.

- To get your creative juices flowing, *use your hands* to make or do something tangible. Move sticky notes around, play an instrument, sketch on paper, or work with clay. The physical act of creating activates your mind-body connection, engages your senses, and helps ideas to flow more naturally.

Switch between digital and analog workspaces.

- Kleon suggests *maintaining 2 workstations*:

  (i) An *analog workspace* (e.g. pen, paper, and sticky notes); and

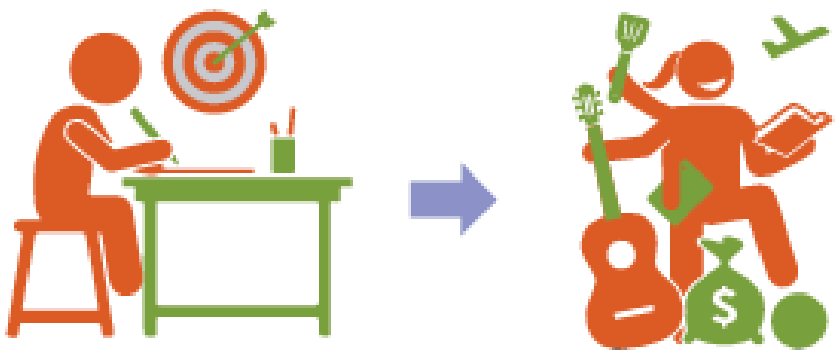
  (ii) A *digital workspace* (e.g. your computer).

- *Toggle between the two* to harness the strengths of each. For example:

  - You could print your work, pin up ideas on a wall, or draft concepts on paper. Then, move to your digital tools to refine and execute those ideas.

  - Use this back-and-forth rhythm to generate ideas offline and polish/publish them online, blending tactile creativity with the efficiency of digital tools.

5. Nurture Your Creative Outlets



KEY QUOTES

"Sitting in front of a computer all day is killing you, and killing your work. We need to move, to feel like we're making something with our bodies, not just our heads."

"Your hands are the original digital devices. Use them."

"Our nerves aren't a one-way street—our bodies can tell our brains as much as our brains tell our bodies."

Explore multiple interests: Hobbies and side projects can offer a valuable outlet for creativity, leading to new ideas and unexpected opportunities.

- Allow yourself to work on *side projects and fun hobbies* outside your main responsibilities. These can spark fresh perspectives, and help you to develop new skills and inspiration from diverse fields that you wouldn't normally dive into.

- *Avoid discarding hobbies or interests* you enjoy, just to force yourself to focus on one thing.

  - These passions are part of who you are. They can also lead to creative breakthroughs by combining diverse skills or ideas.

  - If you feel incomplete after letting go of something—be it music, art, or social groups—make sure you bring them back into your life.

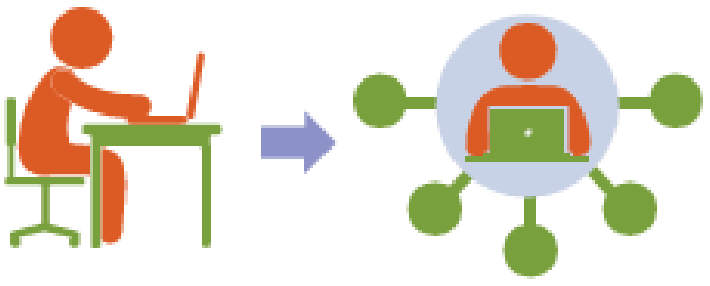
- Dabble in *new ideas, activities, or hobbies*, such as gardening, photography, or sketching. It's ok to mess around and do things just for fun—just go with the flow and see where your curiosity takes you.

Embrace boredom and productive procrastination: Give yourself time to daydream, go for a walk, or engage in mundane tasks like ironing or washing dishes.

- Some of Kleon's best ideas surface during *moments of quiet or boredom*, when the mind is able to wander.

6. Create Great Work, then Share With Others

Use this straightforward yet powerful formula for success: do good work and share it with others.



- *Step 1: Get good first*. Consistency is key. Keep showing up daily to create, experiment, and hone your skills. You'll be lousy at first, but that's normal since progress comes through practice.

KEY QUOTES

"The work you do while you procrastinate is probably the work you should be doing for the rest of your life."
—Jessica Hische

"Take time to mess around. Get lost. Wander. You never know where it's going to lead you."

"It's the side projects that really take off...Stuff that's just play. That's actually the good stuff. That's when the magic happens."

"Avoiding work is the way to focus my mind."
— Maira Kalman

"Creative people need time to just sit around and do nothing."

- Enjoy the initial freedom of obscurity. With no one watching, you can explore, fail, and try again without pressure.

- Explore topics or ideas that fascinate you, especially those that others aren't paying attention to. Let your curiosity and unique interests guide you and set you apart.

- *Step 2: Share your work*: Share your passion, discoveries, and insights with others who share similar interests.

  - In today's digital age, it's easier than ever to share your work online. Sharing opens doors to learning, growth, and collaboration. It may even connect you with future customers.

  - Treat this as a discovery process. Don't just share finished work—also show behind-the-scenes progress, test new ideas and invite feedback.

Tips for sharing your work: You don't have to give away everything you know in order to build a community, gain feedback, or increase visibility/impact. You can:

- *Give small glimpses*: Share snippets of your work, parts of your process, or helpful insights and resources you've found valuable.

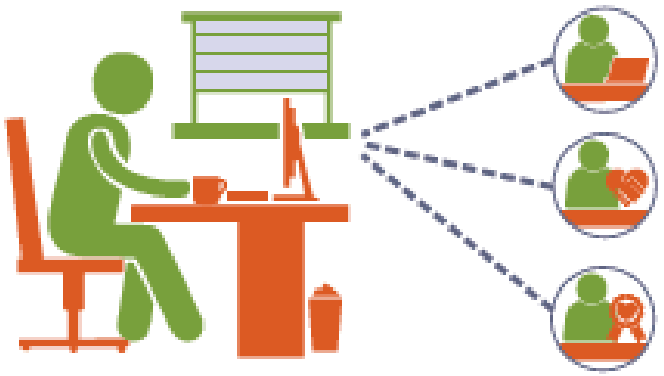
- *Show your journey*: Take your audience behind the scenes to help them understand your work and creative process.

- *Retain some secrets*: You don't have to reveal everything. For instance, you can share core elements of your work without connecting all the dots to reveal the full picture or secret.

7. Connect and Create Anywhere

Today, physical location is no longer a constraint for creative work.

- The internet allows you to *connect globally* with people who share your interests. It's easier than



KEY QUOTES

"Enjoy your obscurity while it lasts. Use it."

"You don't put yourself online only because you have something to say—you can put yourself online to find something to say."

"People love it when you give your secrets away, and sometimes, if you're smart about it, they'll reward you by buying the things you're selling.When you open up your process and invite people in, you learn."

"You can share your dots without connecting them... You have control over what you share and how much you reveal."

"Distance and difference are the secret tonic of creativity. When we get home, home is still the same. But something in our mind has been changed, and that changes everything."
—Jonah Lehrer

ever to exchange ideas, collaborate on projects, and network with diverse, like-minded individuals through online communities or events.

- *Choose an environment* that suits your creative needs, whether it's working from home, a café, or a remote destination.

To create a conducive environment for creative work:

- Embrace *solitude*: Give yourself mental space to think deeply, free from distractions and external noise.
  - Dedicate a quiet workspace and set regular time blocks for interruption-free work.
  - Surround yourself with inspiring materials like books, images or art, while minimizing distractions.
- Use "*temporary captivity*": Restrict yourself to specific environments or situations that facilitate focus, such as a quiet room or a location without Wi-Fi.
  - Use waiting time—like commuting or standing in line—to brainstorm or observe the world for inspiration. Always carry a notebook to jot down ideas.

Kleon recommends leaving home at least once, to immerse yourself in a new environment and step outside your comfort zone.

- Explore *different cultures, practices, and beliefs* to stimulate your mind.
- Make yourself at home in a location where you *thrive physically, mentally, and emotionally*—in terms of surroundings, food, people, and weather that support your creativity.

8. Make Friends, Not Enemies

KEY QUOTES

"All you need is a little space and a little time—a place to work, and some time to do it; a little self-imposed solitude and temporary captivity."

"When you can do it, you have to leave home. You can always come back, but you have to leave at least once."

"You have to find a place that feeds you—creatively, socially, spiritually, and literally."

"Travel makes the world look new, and when the world looks new, our brains work harder."

In today's interconnected world, you should assume that everything you say or do—good or bad—can be seen by others. Kleon's advice is simple: be nice. Say good things about people you like, and ignore your enemies.

- Surround yourself with *talented, inspiring people*:
  - Follow and connect with people who are *smarter and more talented than you*, and whose work genuinely inspires you. Pay attention to what they do, who they connect with, and what they talk about.
  - *Publicly share your appreciation* for their work. Link to their website, solve a problem they're facing, answer a question they posed, or even create something inspired by them. Do this selflessly, without expecting anything in return. Treat any response you get as a bonus, not your main goal.
- *Build meaningful connections* with kindness: Where possible, compliment others, offer help/support, and contribute positively to your communities.
- *Avoid arguments or negativity online*. If you encounter something that upsets you, don't waste time/energy complaining or arguing about it online. Channel your anger and frustrations into your creative work.

Creativity requires a mix of curiosity, persistence, and humility. Focus on self-encouragement, not external validation, and be willing to get uncomfortable or even look foolish.

- *Don't depend on external validation* to motivate yourself. Not everyone will understand or value your work, and recognition (if any) may come much later, sometimes even after your death.
- Ignore criticisms from haters and naysayers, trust your journey, and *immerse yourself in your work* instead.
- Intentionally *celebrate the positives*. Keep a "praise file" of positive feedback, kind words, and compliments from your fans or community. During tough times, revisit these to remind yourself of your impact and keep going.

KEY QUOTES

"There's only one rule I know of: You've got to be kind."
—Kurt Vonnegut

"The best way to vanquish your enemies on the Internet? Ignore them. The best way to make friends on the Internet? Say nice things about them."

"If you ever find that you're the most talented person in the room, you need to find another room."

"Go on, get angry. But keep your mouth shut and go do your work."

"The best way to get approval is to not need it."
— Hugh MacLeod

"Get comfortable with being misunderstood, disparaged, or ignored—the trick is to be too busy doing your work to care."

9. Create Structure for Creative Freedom

When you think of a creative genius, do you think of a bohemian-style, free-spirited individual surrounded by adventure and indulgence? That's a myth. Creative work requires discipline, consistency, and balance.

- Creative success often comes from a *structured, "boring" life* with consistent routines, adequate rest, and self-care. Such a balanced lifestyle provides the required energy and focus for your creative goals.

Build a strong, stable foundation:

- *Manage your finances wisely*. Live within your means and stay out of debt to reduce financial strain.
- *Keep your day job* while you pursue your creative passions.
  - This (i) provides financial security, (ii) adds structure to your day and (iii) creates opportunities to learn from others.
  - Choose a job that pays the bills, doesn't drain your energy, and leaves you with enough time for your creative pursuits.

Devote consistent creative time to sustain the momentum.

- Work out how much time you can free up for creative work, *create a routine, and stick to it*. It's hard to regain momentum once it's broken.
- Try Jerry Seinfeld's *calendar method* to sustain motivation. Break your annual goal into daily chunks, then mark a tick on our calendar for each day you complete your work. As the chain of ticks grows, you will feel more motivated to keep going and maintain the momentum.
- Keep a simple *logbook* to track your journey and what you accomplish each day. Record key activities, creative work, or even small highlights (e.g. a good meal or a meaningful interaction). This reinforces progress and helps you reflect on your growth.

KEY QUOTES

"Be regular and orderly in your life, so that you may be violent and original in your work."
—Gustave Flaubert

"It takes a lot of energy to be creative. You don't have that energy if you waste it on other stuff."

"Freedom from financial stress also means freedom in your art."

"The art of holding on to money is all about saying no to consumer culture."

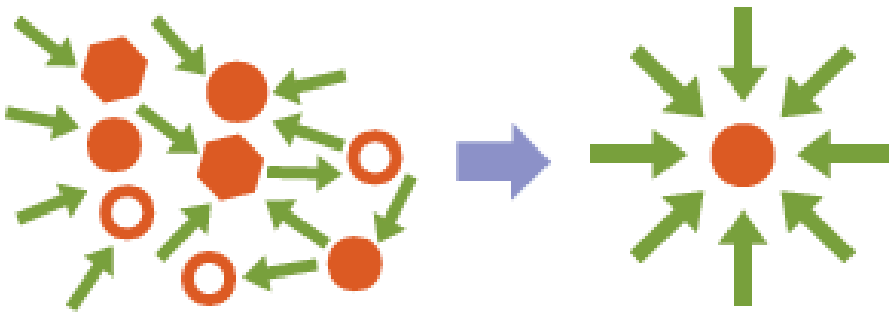
"Inertia is the death of creativity. You have to stay in the groove."

"Get a calendar. Fill the boxes. Don't break the chain."

"Do the work every day, no matter what. No holidays, no sick days. Don't stop."

Find the right partners who support your creative goals and helps you stay grounded and focused. This applies not just in marriage, but also in business and friendship.

10. Simplify to Amplify



Creativity isn't about constantly adding more—it's often about removing what's unnecessary to reveal what truly matters.

- Too many choices or elements can overwhelm and paralyze. By stripping away the non-essentials, you can *focus on the core* of your work, and create something that's more meaningful and impactful.
- In creative work, what you choose to leave out can be as interesting and valuable as what you choose to include. *Thoughtful subtraction* can make your work cleaner, more focused, and more compelling.

Try adding constraints to overcome creative blocks. Simplify and do more with less.

- See constraints not as limitations, but tools to *spark creativity and resourcefulness*. For instance, challenge yourself to:

  (i) Complete a task within a strict time frame (e.g. 1 hour);

  (ii) Create something with only one color or material; or

  (iii) Film a project entirely with your phone.

- Instead of waiting for perfect conditions or ideal resources, *work with what you have*. Start creating and moving forward.

KEY QUOTES

"The small details will help you remember the big details."

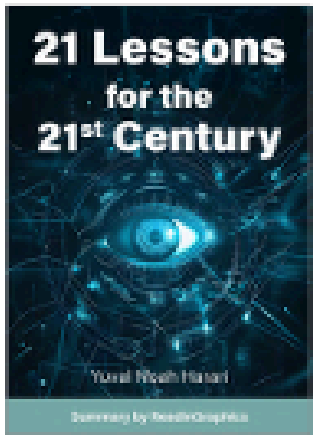
"Relationships are hard enough, but it takes a real champion of a person to be married to someone who's obsessed with a creative pursuit."

"Nothing is more paralyzing than the idea of limitless possibilities. The idea that you can do anything is absolutely terrifying."

"In the end, creativity isn't just the things we choose to put in, it's the things we choose to leave out."

"When it comes to creative work, limitations mean freedom."

"In this age of information abundance and overload, those who get ahead will be the folks who figure out what to leave out, so they can concentrate on what's really important to them."



21 LESSONS FOR THE 21ST CENTURY

Yuval Noah Harari

The Big "So What"

How do we stay relevant in an AI-driven world? Who can we trust in an era of misinformation? Where do we find meaning when old certainties are fading? This book tackles these urgent questions and more, offering insights into the biggest challenges of our time, and helping us to navigate uncertainty with clarity, critical thinking, and resilience.

Introduction: The 21 Lessons for the 21st Century

We live in an age of information overload and rapid change, where most people have little time to reflect on humanity's future. Without understanding these shifts, we risk being left behind—economically, socially, and intellectually. More importantly, our choices today will shape the future in ways we may not yet fully grasp.

This book helps us make sense of this volatile, complex world. It unpacks the most pressing challenges of our time and explores their implications—both for individuals and for humankind as a whole. To navigate the future, we must first understand the present.

- Harari presents *21 key lessons across 5 themes*:

KEY QUOTES

"This book tries to cover different aspects of our global predicament, without claiming to be exhaustive."

"We cannot wait for the crisis to erupt in full force before we start looking for answers."

"In a world deluged by irrelevant information, clarity is power."

"People have debated the meaning of life for thousands of years. We cannot continue this debate indefinitely."

"If you don't know what to do with the power to engineer life, market forces will not wait a thousand years for you to come up with an answer."

Part 1: Navigating Technological Changes

Rapid technological progress has disrupted work and life, reshaping our beliefs, work, and freedoms.

Disillusionment from the End of Old Political Narratives

Liberalism has been the dominant political ideology since World War II, especially after communism collapsed in the late 20th century.

- It is built on the belief that *greater freedom leads to peace and prosperity*, emphasizing:

  (i) Political freedom (democracy and governance by the people);

  (ii) Economic freedom (free markets & capitalism); and

  (iii) Personal freedom (individual rights & choices).

However, **trust in liberalism has eroded**—especially after the 2008 financial crisis—due to rising inequality, economic instability, and technological upheavals. Many no longer believe that more freedom or globalization will solve their problems.

- A *shift away from globalization* is already evident with examples like Brexit (the UK's rejection of EU governance) and "America First" (president Donald Trump's protectionist and nationalist policies that oppose free trade and global cooperation).

- *Technology has further complicated this challenge*:

  - AI, automation, and biotech are reshaping the global economy and threatening millions of jobs.

  - The internet, cryptocurrencies, and financial markets evolve so rapidly that they're incomprehensible to most people—including governments trying to regulate them.

Without a new guiding story to replace liberalism, we risk political chaos, economic instability, and **mass disillusionment**.

KEY QUOTES

"Humankind is losing faith in the liberal story that dominated global politics in recent decades, exactly when the merger of biotech and infotech confronts us with the biggest challenges humankind has ever encountered."

"The liberal story acknowledges that not all is well in the world, and that there are still many hurdles to overcome."

"To have one story is the most reassuring situation of all. Everything is perfectly clear. To be suddenly left without any story is terrifying."

"Humankind is facing unprecedented revolutions, all our old stories are crumbling, and no new story has so far emerged to replace them."

Many who feel left behind are turning to nationalism and religious fundamentalism to fill the ideological vacuum.

Harari argues that liberalism, despite its flaws, is still the best framework for addressing modern challenges. Rather than abandon it, we should adapt and improve it for the new era.

The Future of Work: AI, Automation & Biotech

AI and automation are rapidly reshaping the workplace. In the short term, they may replace repetitive tasks but also create new roles.

- Currently, machines struggle with *tasks requiring emotional intelligence and dexterity*. For example, AI can diagnose diseases, but it can't replicate a nurse's ability to comfort patients, build trust, or handle unpredictable incidents.
- *New roles* are emerging, such as in data analysis, AI maintenance, cybersecurity, and AI-human collaboration (hybrid jobs).
  - Example: In healthcare, AI can diagnose diseases faster than doctors, freeing human experts to focus on research, treatment innovations, and personalized care.

As biotech and infotech merge in the long run, the impact could be more severe:

- AI may *surpass humans* in areas once considered uniquely human—intuition, creativity, and emotional intelligence.
  - *Chess & creativity*: In 2017, AlphaZero (Google's AI) learned chess from scratch in just 4 hours and defeated Stockfish 8, the best human-trained AI. Unlike past chess AIs that relied on brute-force calculations, AlphaZero developed creative, unexpected strategies that stunned even grandmasters.
  - *Art and emotion*: Art was once seen as uniquely human. But biometric AI can analyze facial expressions, heart rate, and brain activity to create music, paintings, or digital art that trigger specific emotional responses. AI doesn't need to surpass history's greatest artists—it just needs to be better than the average human artist to dominate the industry.

KEY QUOTES

"At the end of the day, humankind won't abandon the liberal story, because it doesn't have any alternative."

"It would be madness to block automation in fields such as transport and healthcare just in order to protect human jobs. After all, what we ultimately ought to protect is humans–not jobs."

"The threat of job losses does not result merely from the rise of infotech. It results from the confluence of infotech with biotech."

"In the long run no job will remain absolutely safe from automation."

"We might actually get the worst of both worlds, suffering simultaneously from high unemployment and a shortage of skilled labour."

- New jobs will require *specialized skills* (e.g. drone operators, AI supervisors, cybersecurity analysts), making it harder for low-skilled workers to transition to new jobs.
- Even skilled professionals will have to *constantly reskill*, leading to stress and mental health challenges.
- *AI networks could even replace entire professions*. For example, it takes years to train human doctors or transfer new knowledge. Yet, a network of AI doctors can be instantly updated worldwide.

If AI outpaces job creation, it may create a growing "useless class"—people with no clear role in society, leading to economic and social instability.

Harari argues we should focus on protecting people, not jobs. Instead of fighting automation, focus on financial security and meaningful roles as traditional employment disappears:

- Regulate AI and automation to *slow job displacement* and protect vulnerable workers in key sectors.
- *Create new jobs* by focusing on reskilling and lifelong education, and facilitating career transitions.
- Offer *universal basic income* (UBI) or public services: Tax tech giants and redistribute wealth through monthly stipends or free healthcare, education, and social services. The challenge lies in defining what qualifies as "universal" and "basic."

Loss of Liberty and Privacy in an AI-Driven World

In the age of AI and Big Data, free will may be an illusion.

- Liberalism assumes that *our feelings reflect free will*—that voters should choose their leaders, consumers should choose what to buy, and individuals should pursue happiness based on personal desires.
- However, scientists have found that emotions are the result of electrochemical signals in the brain. If feelings are just biochemical data, then *whoever controls the data controls us*.

KEY QUOTES

"Instead of humans competing with AI, they could focus on servicing and leveraging AI."

"We should compare the abilities of a collection of human individuals to the abilities of an integrated network."

"What we should focus on is providing for people's basic needs and protecting their social status and self-worth."

"The fact that something can be done does not mean it must be done."

"Creating new human jobs might prove easier than retraining humans to actually fill these jobs."

"Feelings aren't based on intuition, inspiration or freedom–they are based on calculation."

With access to biometric data, AI can analyze our emotions, predict our desires, and craft targeted messages to **manipulate our decisions**.

- Companies like Netflix, Amazon, and Facebook already shape our preferences and choices using personal data. If biometric data (e.g. heart rate, blood pressure, and brain activity) is integrated into their systems, they could detect subtle mental-emotional shifts and tailor content to *shape choices with precision*.
- The more accurate and useful AI becomes, the more we rely on it. We already trust Google Search to tell us what's true and Google Maps to tell us where to go. The more we depend on AI, the less we think for ourselves—feeding more data into the system and reinforcing AI's control over our choices in a *vicious cycle*.
- AI-driven governments and corporations could *remove human choice* entirely, assigning roles, careers, or services based solely on algorithmic decisions.
- At the extreme, it could even lead to "*digital dictatorships*" where governments use biometric surveillance to detect dissent and suppress opposition before it even begins.

AI is only as good (or bad) as its **rules and programming**.

- Imagine if an AI car faces a no-win situation: it must either hit a child who suddenly runs onto the road, or swerve into the next lane and collide with another vehicle. What should it do? A human driver would react instinctively, but *an AI must be pre-programmed* to decide who lives and who dies.
- The real question is: *who should program the AI's moral code*—governments, corporations, or individual consumers?

A New Age of Extreme Inequality

In the past, land (agriculture) and machines (industrial revolution) were the foundation of wealth. Today, data is the new power. **Those who control data will shape the future**.

- Today, the richest 1% own half of the world's wealth. AI and Big Data can widen this gap much further.

KEY QUOTES

"Hacking human decision-making will not only make Big Data algorithms more reliable, it will simultaneously make human feelings less reliable."

"Algorithms might gain authority because we will learn from experience to trust them on more and more issues, and will gradually lose our ability to make decisions for ourselves."

"If we are not careful, we will end up with downgraded humans misusing upgraded computers to wreak havoc on themselves and on the world."

"There might be some new openings for philosophers, because their skills–hitherto devoid of much market value –will suddenly be in very high demand."

"Those who own the data own the future."

The ultra-rich could use biotech and AI to create a new elite class of "superhumans", creating an irreversible social-economic divide.

- In the past, wealth bought luxuries and social status. In the future, it may buy *longer life, higher intelligence, and superior physical abilities* via biotech and AI modifications.
- The working class may *not just be exploited, but made irrelevant*.
  - AI and automation may erase entire industries. For example, wealthy nations may replace outsourced labor (in countries like Bangladesh and India) with robotics and 3D printing.
  - If the masses lose economic value, governments might cut public welfare and leave social support to private charities.
  - The power balance may shift toward a global ruling elite of Silicon Valley billionaires, Moscow oligarchs, and Chinese tech tycoons, who manipulate public decisions using AI-driven algorithms, and operate beyond national borders (protected by AI, private security, and mass surveillance).

There's an urgent need for data governance. Yet, data is hard to regulate as it's intangible, easily copied and shared, and controlled by a few tech giants. Harari outlines 3 possible solutions:

- *Government control*: This could curb corporate power but risks creating digital dictatorships.
- *Corporate control*: This encourages innovation but might concentrate too much power in the hands of a few tech giants.
- *Individual or community control*: This promotes data democracy, but it's unclear if it can be feasible at scale.

Part 2: Political Challenges in a Fragmented World

Humanity faces pressing challenges that cannot be solved by a single nation or culture. Yet, our societies are fracturing at a time when we need global cooperation.

KEY QUOTES

"The real problem with robots is not their own artificial intelligence, but rather the natural stupidity and cruelty of their human masters."

"By 2100, the richest 1 per cent might own not merely most of the world's wealth, but also most of the world's beauty, creativity and health.

"Globalisation will unite the world horizontally by erasing national borders, but it will simultaneously divide humanity vertically."

"Maybe one of 'our' biggest problems is that different human groups have completely different futures."

"How do you regulate the ownership of data? This may well be the most important political question of our era."

"Any solution to the technological challenge has to involve global cooperation."

The Fragmentation of Human Communities

People today feel increasingly isolated, lonely, and disconnected due to the decline of traditional, close-knit communities.

- In 2017, Facebook's Mark Zuckerberg proposed *using AI and social networks to build a global community*. However, his vision was quickly overshadowed by scandals revealing that Facebook-harvested data had been misused to manipulate elections.

Despite this, Harari suggests leveraging AI to restructure human connections on a global scale. This is only possible if tech giants to change their business models and address key challenges:

- *Online vs offline connections*: Digital interactions cannot replace deep, offline relationships. For example, if you're sick, getting an online message from a friend isn't the same as a personal visit. Over-reliance on digital connections can intensify loneliness and emotional disconnection.
- Social media creates the *illusion of vast networks*, but research (Dunbar's Number) suggests humans can only maintain meaningful relationships with about 150 people. Beyond this, connections become shallow and fragmented.
- *Self-connection matters*: Social media encourages people to seek external validation over genuine connection. Rather than fully experiencing each moment, people focus on capturing and sharing them for likes. Digital communities won't be effective unless people first reconnect with their own emotions, bodies, and inner selves.

Rethinking Conflict: We are 1 Single Civilization

The "clash of civilizations" theory suggests that the world is divided into distinct civilizations (e.g. Islam vs. the West) and clashes are inevitable due to irreconcilable differences. Some use this theory to justify isolationism.

Harari challenges this view, arguing that all of humanity is part of a single, interconnected civilization.

KEY QUOTES

"Humans have bodies. During the last century technology has been distancing us from our bodies."

"In order to flourish we still need to ground ourselves in intimate communities."

"A community may begin as an online gathering, but in order to truly flourish it will have to strike roots in the offline world too."

"People live ever more lonely lives in an ever more connected planet."

"If you don't feel at home in your body, you will never feel at home in the world."

"People still have different religions and national identities. But when it comes to the practical stuff–how to build a state, an economy, a hospital, or a bomb–almost all of us belong to the same civilisation."

- The real conflict isn't between Islam and the West, but between modern global culture and people who feel alienated by it. Groups like ISIS are products of *modern identity crises, inequality, and political instability*, rather than ancient religious traditions.

- Civilizations are not biologically fixed. *Cultures evolve*, like how Germany has transformed politically multiple times in a century (empire → democracy → Nazi regime → democracy).

- Our conflicts aren't clashes between distinct civilisations, but *internal struggles* in a shared global system—like disagreements within a family.

The real threats of the 21st century—climate change, AI, inequality—transcend national and cultural boundaries. These problems require **global cooperation, not division**.

- The *Olympics* are a great example of successful global cooperation—where different nations (even rivals) come together to compete under common rules.

Balancing Nationalism in a Globalized World

Nationalism—loyalty to one's nation—can foster unity and civic responsibility. However, **ultranationalism can be dangerous**. It's the belief that one's nation is inherently superior and its interests must be prioritized above all else. Historically, it has fueled war, imperialism, and isolationism.

- *Nationalism is not inherent to human nature*. For most of history, people lived in small tribes. National identity only emerged to address large-scale challenges, e.g. ancient Egyptian tribes uniting to build dams and manage flooding.

Humanity's greatest challenges today require **global cooperation, not division**.

- *Problems that transcend borders include*:
  - *Nuclear war*: Modern nuclear weapons mean that large-scale wars can bring global annihilation.
  - *Ecological collapse*: Climate change, deforestation, and pollution endanger the entire planet. However, it impacts nations unevenly, making global cooperation difficult.

KEY QUOTES

"Whatever changes await us in the future, they are likely to involve a fraternal struggle within a single civilisation rather than a clash between alien civilisations."

"Identity is defined by conflicts and dilemmas more than by agreements."

"No group rejecting the principles of global politics has so far gained any lasting control of any significant territory."

"The problem starts when benign patriotism morphs into chauvinistic ultra-nationalism."

"We now have a global ecology, a global economy and a global science–but we are still stuck with only national politics."

"To have effective politics, we must either de-globalise the ecology, the economy and the march of science–or we must globalise our politics."

- *Technological disruption* from biotech and infotech transcend borders cannot be resolved by any single country.

- It's crucial to *balance national pride with global responsibility*, patriotism with global citizenship.

Religion's Role in Modern Society

Traditional religions—like Christianity, Islam, Hinduism—have lost relevance for technical and policy challenges.

- In *technical fields* like agriculture, medicine, and meteorology, people now turn to scientists, doctors, and engineers rather than priests, temples, or shamans.

- Religion also lacks clear solutions for modern *policy issues*. Religious leaders rarely create policy, though they may still influence politics by interpreting scientific and political ideas in religious terms after key decisions are made.

However, religion still plays a major role in shaping identity by defining who belongs to "us" vs "them".

- Although traditional religions teach universal values, they were often exploited to serve group or national interest. This has led to *division rather than unity*, such as conflicts between different faiths (Christians vs Muslims) and within the same religion (Sunni vs Shia, Catholic vs Protestant).

Immigration Challenges & The Rise of Culturism

Globalization has intensified immigration debates, especially in Europe, leading to three key dilemmas:

- *How open should borders be?* Some believe all humans have a moral responsibility toward one another. Others argue that immigration is a privilege, not a right, so countries should control who they accept or reject.

- *How much should immigrants assimilate?* Some say European culture is diverse, so it's unrealistic to expect immigrants to conform to an imaginary "European identity." Others worry

KEY QUOTES

"A person can and should be loyal simultaneously to her family, her neighbourhood, her profession and her nation –why not add humankind and planet Earth to that list?"

"In the twenty-first century religions don't bring rain, they don't cure illnesses, they don't build bombs–but they do get to determine who are 'us' and who are 'them', who we should cure and who we should bomb."

"Traditional religions are largely irrelevant to technical and policy problems. In contrast, they are extremely relevant to identity problems –but in most cases they constitute a major part of the problem rather than a potential solution."

"Though globalisation has greatly reduced cultural differences across the planet, it has simultaneously made it far easier to encounter strangers and become upset by their oddities."

"Cultural relativists argue that difference doesn't imply hierarchy, and we should never prefer one culture over another."

that Europe's liberal principles may be eroded by an influx of immigrants with conflicting values (e.g. homophobia, anti-Semitism).

- *When should immigrants be considered full citizens?* Some say integration should take no more than 3 generations. Others argue assimilation can take centuries—if it happens at all.

After WWII, racial discrimination (based on skin color or genetics) was discredited. However, culturism—a new form of discrimination—has emerged, where some cultures are deemed superior to others.

- Cultural superiority is a *flawed concept* because a practice that works in one society isn't necessarily better everywhere. Moreover, it reinforces harmful stereotypes (e.g. assuming "Muslim culture is intolerant") when cultures are both fluid and diverse. It also leads to unfair biases, e.g. rejecting job candidates due to their cultural background.

If we can't handle cultural differences, how can we solve larger global challenges? The solution lies in finding a middle ground that balances immigration with social and political stability.

Part 3: Choosing Your Beliefs & Narratives Wisely

Our identities and decisions are shaped by narratives—from religions to ideologies, and national myths. Choose stories that bring hope and inspiration, not fear and despair.

Terrorism: A War of Fear, Not Force

In the 21st century, terrorism kills far fewer people than war, disease, or crime. Yet, it wields disproportionate power by using fear as a psychological weapon.

- Terrorists act *like theater producers, not military strategists*. They lack conventional military strength, so they stage dramatic spectacles to capture global attention, spread panic, and destabilize governments.

KEY QUOTES

"Traditional racism is waning, but the world is now full of culturists."

"Humans may think and behave in various ways, but we should celebrate this diversity, and give equal value to all beliefs and practices."

"Humankind can rise to the occasion if we keep our fears under control and be a bit more humble about our views."

"Terrorists are masters of mind control. They kill very few people, but nevertheless manage to terrify billions and shake huge political structures."

- Example: The 9/11 attacks targeted the Twin Towers for their visual and emotional impact. A Pentagon strike would have been militarily significant but far less dramatic.

- The true goal of terrorism is to *provoke an overreaction*. Terrorists are like flies in a porcelain shop—they can't do much damage directly, so they buzz in the ear of a bull nearby, until the bull smashes everything in a blind rage.

  - Governments fall into this trap when they respond with large-scale military invasions or extreme policies that cause more damage than the terrorist acts themselves.

The best counter to terrorism is to **be rational, not reactive**.

- *Governments* should avoid large-scale military responses and focus on intelligence and covert operations.

- *The media* should avoid sensationalism and provide context, instead of amplifying fear.

- *Citizens* must recognize terrorism for what it is, instead of letting their imagination run wild.

While conventional terrorism thrives on fear, future threats—like nuclear, cyber, or bioterrorism—could be catastrophic. Global cooperation is essential to **prevent terrorists from acquiring weapons of mass destruction**.

The Folly of War & The Power of Diplomacy

In the past, war was profitable—conquering armies seized land, wealth, and enslaved populations. Today, **war is more costly and less rewarding**:

- *Wealth* is now based on knowledge and technology, which cannot be seized by force.

- Modern warfare is *unpredictable* due to nuclear weapons and cyberwarfare. Retaliation can come from anywhere with devastating outcomes.

- As a result, *leaders avoid full-scale wars*, relying instead on proxy conflicts, cyberattacks, and military posturing.

KEY QUOTES

"If we allow our imagination to be captured by the terrorists, and then overreact to our own fears–terrorism will succeed. If we free our imagination from the terrorists, and react in a balanced and cool way–terrorism will fail."

"In most cases, [an] overreaction to terrorism poses a far greater threat to our security than the terrorists themselves."

"The theatre of terror cannot succeed without publicity."

"Today the main economic assets consist of technical and institutional knowledge rather than wheat fields, gold mines or even oil fields, and you just cannot conquer knowledge through war."

Yet, peace is not guaranteed because humans often act in self-destructive ways.

- History is full of *poor decisions* that led to unnecessary wars. For example, Japan in the 1930s believed economic survival required controlling Korea, Manchuria, and China's coast. Yet, Japan's greatest economic boom happened *after* losing its empire, proving its WWII efforts were a disastrous miscalculation.
- Global tensions are rising. Military spending is increasing, and a series of poor decisions or misunderstandings could *trigger another world war*.

Prevent war through global cooperation, diplomacy and humility.

- *Avoid 2 dangerous mindsets*:
  - (i) Thinking war is inevitable → Leads to arms races, paranoia, and conflicts that become self-fulfilling prophecies.
  - (ii) Thinking war is impossible → Leads to complacency, ignoring real risks of escalation.

KEY QUOTES

"Humans were always far better at inventing tools than using them wisely."

"We should never underestimate human stupidity. Both on the personal and on the collective level, humans are prone to engage in self-destructive activities."

"In the twenty-first century the most successful strategy is to sit on the fence and let others do the fighting for you."

No Culture Has All the Answers

Many cultures, religions, and nations believe they are central to history, but no one civilization is the source of human progress. Examples of cultural self-importance include:

- *Greeks* trace the roots of philosophy, democracy, and science to figures like Homer, Plato, and Sophocles.
- *Chinese* nationalists argue history began with the Yellow Emperor and all major innovations originated in China.
- *Hindu* groups claim ancient sages had knowledge of airplanes, nuclear weapons, and advanced science long before modern discoveries.
- *Muslims* view history before Prophet Muhammad as irrelevant, with Islam as the central force of civilization.
- *Western nations* (British, French, American) claim their innovations saved the world from primitivism.

"Most people tend to believe they are the centre of the world, and their culture is the linchpin of human history."

"Without Judaism you would not have had Christianity, but that doesn't merit giving much importance to Judaism when writing the history of the world."

- *Jews* assert that Jewish religious and ethical values shaped Western civilization's foundation.

In reality, human progress is a collective effort. Morality, art, spirituality, and creativity existed long before modern civilizations. None of today's nations or religions existed when early humans domesticated plants and animals, built the first cities, developed writing, currency and governance.

- *Discoveries by individuals* don't belong to their cultures. For example, Einstein's theory of relativity isn't a "Jewish" idea, just as Darwin's theory of evolution isn't a "Christian" discovery.

- *Progress requires humility* and history belongs to everyone. Recognize blind spots to temper arrogance, and develop a more respectful, cooperative world.

God, Morality, and the Human Agenda

Throughout history, people have invoked God to explain everything, from the creation of the universe to trivial social rules. Harari questioned if the creator of time and space would truly be concerned about bikinis, dietary restrictions, or sexual orientation. His message: Stop using God as an excuse for war, oppression, discrimination, and other human agenda.

- Religious texts (e.g. the Bible, Quran) were *written by humans, not divine beings*, to legitimize social norms and political structures. Religion helped to organize societies, but religious laws are not absolute truths—they're human-made systems that evolve over time.

Religion can help with morality and inner peace, but it's not the only path.

- *Morality* is not rooted in divine law, but empathy and the desire to reduce suffering. Rape, murder, and theft aren't wrong because God forbids them, but because they cause harm.

- *Inner peace*: Religion can offer comfort and meaning, but you don't need faith to cultivate peace, kindness, or ethical values.

Judge religion's value by its impact on behavior:

KEY QUOTES

"Morality, art, spirituality and creativity are universal human abilities embedded in our DNA."

"Einstein was Jewish, but the theory of relativity wasn't 'Jewish physics'."

"You want to wage war on your neighbours and steal their land? Leave God out of it, and find yourself some other excuse."

"The very same religions that inspire hate and bigotry in some people inspire love and compassion in others."

"Though gods can inspire us to act compassionately, religious faith is not a necessary condition for moral behaviour."

"If you really understand how an action causes unnecessary suffering to yourself or to others, you will naturally abstain from it."

- *Faith should uplift humanity*. A prayer or ritual is valuable if fosters peace and kindness. But if it fuels violence and division, then it's dangerous.

- *Secularism* offers an alternative ethical system based on shared understanding and responsibility, not divine authority.

Secularism as An Ethical System

Secularism is not just the absence of religion. It's a framework for ethical living based on universal values that transcend religious and cultural boundaries. Secular values are based on reason, not divine authority.

- *Truth*: Based on evidence, not faith. No single authority holds absolute truth—it must be tested, questioned, and refined.

- *Compassion*: Ethical decisions should reduce suffering. For example, rape is wrong because it causes harm, while consensual same-sex relationships pose no ethical issues.

- *Equality*: Every person has inherent worth, regardless of religion, nationality, or background.

- *Freedom*: True freedom involves the ability to think, question, and express ideas openly. It requires courage—to challenge beliefs and embrace uncertainty.

- *Responsibility*: Humans must own their actions and shape the world, rather than relying on divine intervention.

Secularism vs religion. Many religions also promote values like truth and compassion, but these are defined using divine law.

- Secularism, on the other hand, requires *critical thinking and moral reasoning*, which can be challenging. In times of crisis, people often abandon secular principles for rigid ideologies that promise certainty.

The challenge for any secular system lies in balancing open inquiry with certainty—to uphold critical thinking and moral reflection, while addressing the human need for order and stability.

KEY QUOTES

"Hurting others always hurts me too. Every violent act in the world begins with a violent desire in somebody's mind, which disturbs that person's own peace and happiness."

"Secularism can provide us with all the values we need."

"Secular people are certainly proud of the uniqueness of their particular nation, country and culture–but they don't confuse 'uniqueness' with 'superiority'."

"It takes a lot of courage to fight biases and oppressive regimes, but it takes even greater courage to admit ignorance and venture into the unknown."

"Humans should always retain the freedom to doubt, to check again, to hear a second opinion, to try a different path."

Part 4: Confronting The Struggle for Truth

In a world filled with misinformation and complexity, we must think critically, or our ignorance can be weaponized against us.

We Think We Know More Than We Do

Liberalism assumes that voters, consumers, and decision-makers act based on objective reasoning. In reality, human decisions are rarely rational—they're shaped by emotions, biases, mental shortcuts and peer/cultural influence.

The illusion of understanding: We often believe we know more than we actually do, leading to overconfidence and strong opinions on topics we barely understand.

- We *mistake collective knowledge for personal knowledge*. No single person can build an airplane, cure a disease, or run a government, yet we confidently express opinions on such topics.

- We *selectively focus* on information that confirms our beliefs and reject contradictory evidence.

- Ironically, those with the most power often have the weakest grasp of reality. *Leaders struggle to see reality* due to:

  (i) Lack of time: Leaders are too busy to deeply explore issues.

  (ii) Distorted feedback: People tell leaders what they want to hear, making it harder to uncover the truth.

To make better decisions, recognize how little we know. Question assumptions and biases, seek multiple sources of information, and beware of people or dogmas that claim to have all the answers.

KEY QUOTES

"If you feel overwhelmed and confused by the global predicament, you are on the right track."

"You know less than you think."

"We think we know a lot, even though individually we know very little, because we treat knowledge in the minds of others as if it were our own."

"People rarely appreciate their ignorance, because they lock themselves inside an echo chamber of like-minded friends and self-confirming newsfeeds."

"If you cannot afford to waste time–you will never find the truth."

"Questions you cannot answer are usually far better for you than answers you cannot question."

The Struggle for Justice in a Complex World

Moral certainty is an illusion in a global, interconnected world. True justice requires more than good intentions—it demands an accurate understanding of cause and effect.

- *Small-scale justice is easy to grasp*: If someone steals your bag of purchases, you recognize the injustice since you experience the direct harm.
- *Large-scale justice is harder to define*: The sheer number of parties involved makes it impossible to fully trace cause-and-effect relationships.
  - For example, your government might fund wars or oppressive regimes without your knowledge. Or, the food you eat might contain ingredients sourced through exploitation. So, who should be held accountable?

When faced with overwhelming complexity, humans rely on mental shortcuts that distort reality:

- *Shrinking large-scale problems* into simplistic narratives, e.g. defining the Syrian civil war as a personal feud between leaders.
- *Focusing on individual stories*, e.g. prioritizing a single victim's suffering while ignoring broader political and economic realities.
- *Weaving conspiracy theories*: Blaming a specific group, rather than accepting the world is too chaotic for one entity to control.
- *Clinging to rigid ideologies*: Seeking comfort from absolute beliefs that ignore uncertainty and blind spots.

Justice is never simple and requires intellectual humility. The best path forward is to challenge assumptions, seek multiple perspectives, and adapt to new information instead of clinging to rigid beliefs.

KEY QUOTES

"An inherent feature of our modern global world is that its causal relations are highly ramified and complex."

"When we try to comprehend relations between millions of people across entire continents, our moral sense is overwhelmed."

"The world has simply become too complicated for our hunter-gatherer brains."

"We are all complicit in at least some such biases, and we just don't have the time and energy to discover them all."

"The greatest crimes in modern history resulted not just from hatred and greed, but even more so from ignorance and indifference."

Post-Truth: Fiction, Misinformation and Lies

Humans are post-truth creatures. We interpret facts through emotions and beliefs rather than objective reasoning.

- Our ability to *create shared stories* has enabled large-scale cooperation. Examples of shared fictions include:
  - Religious myths: Billions believe in stories like Adam and Eve, or Buddhist reincarnation, despite lacking scientific evidence.
  - National myths: Ideas like a "sacred homeland" or "shared destiny" often rely on selective history rather than objective truth.
  - Corporate branding: Coca-Cola markets itself as a symbol of happiness and health, despite its role in obesity and diabetes.
  - Economic systems: A $100 bill is just paper—it has value only because we collectively believe in it.
  - Legal & political structures: Nations, corporations, and laws exist only because we agree they do.

Throughout history, leaders distorted truth to justify wars, gain power, and maintain control. What's different today is the speed and scale of misinformation fueled by the internet and social media.

- A false story believed by a few is "fake news." A fiction believed by billions for generations becomes *religion or ideology*.

Fiction and myths aren't always bad. Some help to unite communities, inspire action, and give meaning. The challenge is distinguishing between useful fictions and harmful lies. Harari offers 2 rules of thumb for navigating a post-truth world:

- *Pay for quality information*. If your news is free, you're likely the product. Reliable journalism, research, and content are worth investing in.

KEY QUOTES

"Humans control the world because they can cooperate better than any other animal, and they can cooperate so well because they believe in fictions."

"Religious and ideological dogmas are still highly attractive in our scientific age precisely because they offer us a safe haven from the frustrating complexity of reality."

"If you want power, at some point you will have to spread fictions. If you want to know the truth about the world, at some point you will have to renounce power."

"A lie told once remains a lie, but a lie told a thousand times becomes the truth."

"False stories have an intrinsic advantage over the truth when it comes to uniting people."

- *Verify facts through multiple expert sources*. No media outlet or belief system is free from bias. Seek peer-reviewed scientific research, academic books, and expert opinions for important topics. Use critical thinking and questioning to get as close to the truth as possible.

How Sci-Fi and Media Distort Reality

Most people don't learn about AI, the future, or technology by reading scientific articles—they learn from sci-fi movies like *The Matrix*, *Her*, *and Black Mirror*.

- Many sci-fi films *confuse intelligence and consciousness*. They fuel fears of machine rebellions while ignoring the real danger: a small elite controlling society through AI and algorithms.

- Other stories create the *illusion of free will*. Films like *The Matrix* and *The Truman Show* depict heroes waking up from a false reality, and discovering their "authentic self."

  - In reality, our thoughts, values, and choices are already shaped by biology, culture, history, and popular media. There's no "pure" self untouched by external influences.

  - Even if we lived in a simulation, our experiences would feel real. A digitally-triggered pain or joy is as real as a "physical" one in our minds.

It's impossible to escape external influences, but we can become more aware of the stories shaping us:

- Filmmakers can *portray science and technology more accurately*. For example, *Inside Out* effectively depicts human emotions as biochemical processes competing for control rather than a singular "self."

- Individually, we should recognize how stories—societal norms, ideologies, and culture—influence us and shape our perceptions. *Choose narratives* that empower rather than manipulate us.

KEY QUOTES

"It is the responsibility of all of us to invest time and effort in uncovering our biases and in verifying our sources of information."

"Perhaps the worst sin of present-day science fiction is that it tends to confuse intelligence with consciousness."

"The mind is never free of manipulation. There is no authentic self waiting to be liberated from the manipulative shell."

"When you escape the matrix the only thing you discover is a bigger matrix."

"Have you any idea how many movies, novels and poems you have consumed over the years, and how these artefacts have carved and sharpened your idea of love?"

"The mind is not the subject that freely shapes historical actions and biological realities–the mind is an object that is being shaped by history and biology."

Part 5: Preparing For the Future

To stay relevant and resilient in a fast-changing uncertain world, we need mental flexibility, emotional resilience, and self-awareness.

Education for the Future: Adaptability Over Rote Learning

Traditional education no longer works in an AI-driven world.

- In the past, schools focused on *memorizing facts and mastering fixed skills* (like learning a coding language or identifying chemicals in test tubes). That made sense when knowledge was scarce and the job market was stable.
- Today, the *biggest challenges* are information overload, mis-information, and constant change. Education must help people to stay relevant through continuous learning and adaptation.

Instead of focusing on static knowledge, education should develop **skills that remain useful** no matter how the job market evolves.

- *Nurture the 4Cs* of future-proof learning:
  - (i) Critical thinking: Analyze info, and separate fact from fiction.
  - (ii) Communication: Express ideas effectively across cultures, ideologies, and platforms.
  - (iii) Collaboration: Work seamlessly with both humans and AI.
  - (iv) Creativity: Develop innovative solutions to complex problems.
- Build *mental and emotional flexibility*:
  - (i) Mental flexibility: Learn, unlearn, and reinvent yourself.
  - (ii) Emotional resilience: Stay calm and adaptable in uncertain times.
  - (iii) Self-awareness: Understand your biases and mental patterns to avoid being manipulated by algorithms.

KEY QUOTES

"Escaping the narrow definition of self might well become a necessary survival skill in the twenty-first century."

"We cannot be sure of the specifics, but change itself is the only certainty."

"If this generation lacks a comprehensive view of the cosmos, the future of life will be decided at random."

"To keep up with the world of 2050, you will need not merely to invent new ideas and products–you will above all need to reinvent yourself again and again."

"If the algorithms indeed understand what's happening within you better than you understand it, authority will shift to them."

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To stay relevant and resilient in a fast-changing uncertain world, we need mental flexibility, emotional resilience, and self-awareness.

Education for the Future: Adaptability Over Rote Learning

Traditional education no longer works in an AI-driven world.

- In the past, schools focused on *memorizing facts and mastering fixed skills* (like learning a coding language or identifying chemicals in test tubes). That made sense when knowledge was scarce and the job market was stable.
- Today, the *biggest challenges* are information overload, mis-information, and constant change. Education must help people to stay relevant through continuous learning and adaptation.

Instead of focusing on static knowledge, education should develop **skills that remain useful** no matter how the job market evolves.

- *Nurture the 4Cs* of future-proof learning:
  - (i) Critical thinking: Analyze info, and separate fact from fiction.
  - (ii) Communication: Express ideas effectively across cultures, ideologies, and platforms.
  - (iii) Collaboration: Work seamlessly with both humans and AI.
  - (iv) Creativity: Develop innovative solutions to complex problems.
- Build *mental and emotional flexibility*:
  - (i) Mental flexibility: Learn, unlearn, and reinvent yourself.
  - (ii) Emotional resilience: Stay calm and adaptable in uncertain times.
  - (iii) Self-awareness: Understand your biases and mental patterns to avoid being manipulated by algorithms.

KEY QUOTES

"Escaping the narrow definition of self might well become a necessary survival skill in the twenty-first century."

"We cannot be sure of the specifics, but change itself is the only certainty."

"If this generation lacks a comprehensive view of the cosmos, the future of life will be decided at random."

"To keep up with the world of 2050, you will need not merely to invent new ideas and products–you will above all need to reinvent yourself again and again."

"If the algorithms indeed understand what's happening within you better than you understand it, authority will shift to them."

Seek Meaning Beyond Stories

Humans are storytelling creatures. We seek meaning-making stories that (i) give us a role in the world and (ii) connect us to something greater than ourselves.

- The best stories are *open-ended*, allowing reinterpretation over time. Popular meaning-making narratives include:

  (i) Circle of Life: Every person has a unique function in the cosmic cycle; peace comes from fulfilling that role.

  (ii) Communism: Human history is a struggle between classes, and true meaning comes from fighting for the working class.

  (iii) Liberalism: Meaning is found in individual freedom, self-expression, and personal fulfillment.

- Such narratives are a *double-edged sword*: Stories provide identity, purpose, and social cohesion, but they also create blind spots, justify extreme sacrifices, and oversimplify reality.

- People often *cling to stories* because:

  (i) They're deeply ingrained from childhood;

  (ii) They hold societies together; and

  (iii) They're reinforced through rituals and sacrifice. For example, soldiers who die for their nation are honored as patriots, even if the war was unjust.

Throughout history, people have held a "portfolio" of identities and beliefs. For example, a religious nationalist may believe in Jesus but also oppose welfare programs.

- In modern times, people *pick and choose beliefs/stories* that suit their needs rather than commit to one story. This freedom of choice can leave people stuck in an endless search for meaning.

Ultimately, life not a story. To understand the universe, life, and yourself, observe your own mind: Why do you suffer? Why do you feel certain urges? How are these are used to manipulate you?

KEY QUOTES

"Homo sapiens is a storytelling animal, that thinks in stories rather than in numbers or graphs, and believes that the universe itself works like a story, replete with heroes and villains, conflicts and resolutions, climaxes and happy endings."

"It is our own human fingers that wrote the Bible, the Quran and the Vedas, and it is our minds that give these stories power."

"Most stories are held together by the weight of their roof rather than by the strength of their foundations."

"Any story is wrong, simply for being a story. The universe just does not work like a story."

"The real enigma of life is not what happens after you die, but what happens before you die. If you want to understand death, you need to understand life."

- Only by understanding yourself can you *consciously choose which stories to believe in*, rather than letting them control you.

Meditation: Observe the Mind to Understand Life

As a young man, Harari grappled with existential questions but found no satisfying answers. His breakthrough came when he discovered Vipassana meditation. After spending 10 days observing his breath and bodily sensations without reacting to them, he realized:

- *We have little control over our minds*: Despite his education, Harari struggled to focus his thoughts for even 10 seconds.
- *Suffering comes from our reactions, not external events*: People don't react to events themselves but to the physical sensations they trigger. For example, anger doesn't come from an insult itself but from the bodily tension triggered by the insult. Pain arises not from external hardship but the mind's resistance to that hardship.

To answer life's biggest questions, we must understand both the human brain and mind.

- The *brain and mind* offer 2 paths to understanding human consciousness. The brain is a biological system of neurons and biochemical reactions, while the *mind* is a flow of subjective experiences, such as pain, joy, and love.
- Most people seek meaning through religion, ideology, or nationalism, but these are just stories we tell ourselves. Meditation allows us to *observe our mental patterns directly*, revealing how thoughts arise, how emotions manifest, and how we perceive and react to experiences. This can teach us more about life than philosophical debates or academic research.
- Neuroscientists can study brain activity, but they can't fully explain how subjective experiences emerge from neural activity. To truly understand consciousness, we must *combine both perspectives*: study the brain with neuroscientific tool and explore the mind through direct experiences like meditation.

KEY QUOTES

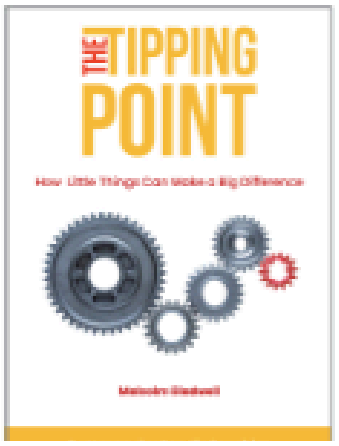
"I think I learned more about myself and about humans in general by observing my sensations for these ten days than I learned in my whole life up to that point."

"Suffering is not an objective condition in the outside world. It is a mental reaction generated by my own mind. Learning this is the first step towards ceasing to generate more suffering."

"Suffering is not an objective condition in the outside world. It is a mental reaction generated by my own mind."

"The most real thing in the world is suffering."

"Meditation never came into conflict with scientific research. Rather, it has been another valuable tool in the scientific toolkit, especially when trying to understand the human mind."



THE TIPPING POINT

HOW LITTLE THINGS CAN MAKE A BIG DIFFERENCE

By Malcolm Gladwell

The Big "So What" ???

The book seeks " to answer two simple questions.... Why is it that some ideas or behaviour or products start epidemics and others don't? What can we do to deliberately start and control positive epidemics of our own? "

Introduction

Gladwell starts off by explaining the concept of "the tipping point" with two stories. It is about reaching the boiling point, or critical mass, where everything tips and spreads like a virus. The book illustrates this concept in depth with various examples, starting with how Hush Puppies (an aging shoe line at that time) became an elite fashion statement in less than two years, followed by how the high crime rate in New York City suddenly dropped after many years.

The Three Rules of Epidemics

What causes something to tip and spread like an epidemic? Gladwell identifies three prerequisites or "rules of epidemics":

- The Law of the Few : A tiny percentage of people are accountable for building huge initial momentum because of their special social gifts. These are the Mavens, the Connectors and the Salesmen.
- The Stickiness Factor : There is a simple way to package information such that it is irresistible and memorable - i.e. it "sticks".

KEY QUOTES

The Tipping Point

"The name given to that one dramatic moment in an epidemic when everything can change all at once is the Tipping Point."

- The Power of Context : Human beings are a lot more sensitive to their environment than they seem. By changing the context and managing their social groups, you can shape their behaviours.

1 The Law of the Few

Many trends are started by the small groups of people – Mavens, Connectors and Salesmen. Gladwell provides several detailed examples and past events that show how to identify each of these, and how they help to tip epidemics.

Mavens (the Data Banks): Mavens seem to know everything. They have the inside scoop on the marketplace and know things that we don't. Besides accumulating knowledge, they have a compulsion to share their knowledge and help others make informed decisions. In short, "mavens are really information brokers, sharing and trading what they know".

Connectors (the Social Glue): Connectors are those who seem to know everyone. They have an "ability to span many different worlds (due to) some combination of curiosity, self-confidence, sociability and energy". Because they have a foot in so many realms, they essentially bring them together.

Salesmen (the Persuaders): Salesmen are those who seem to effortlessly induce others' buying decisions and behaviours. They have innate skills and charisma that make them so persuasive. "It's energy. It's enthusiasm. It's charm. It's likeability. It's all of those things and yet something more."

KEY QUOTES

Law of the Few

"The success of any kind of social epidemic is heavily dependent on the involvement of people with a particular and rare set of social gifts…I call them Connectors, Mavens, and Salesmen."

"Mavens are data banks. They provide the message. Connectors are social glue: they spread it. Salesmen (have) the skills to persuade us when we are unconvinced of what we are hearing."

Reaching out to the marketplace through influencers may seem obvious today, but this was definitely a novel idea at the time Gladwell wrote the book. It still an important reminder of where we should focus our resources when launching a word-of-mouth campaign.

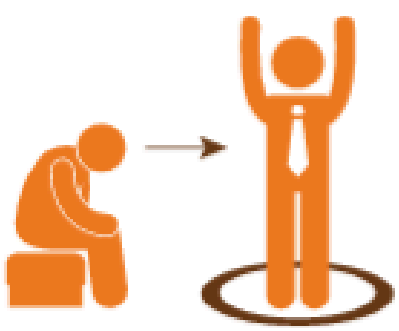
2 The Stickiness Factor

Stickiness means that a message leaves such a deep impression that it's stuck in your head. There are many ways to make something stick, be it stories, audience participation or repetition. The tough part is to find the right stickiness factor for the target audience.

Gladwell goes into details of how two popular children's TV shows, Sesame Street and Blue's Clues, managed to capture children's attention and became major successes. He shows examples of how success often hinges on small details (such as placements and sequencing) rather than major changes (such as a revamp of the content).

3 The Power of Context

There are 2 parts to understanding and applying the Power of Context



a. Change the Context to Change Behaviours:

Gladwell points out that human character isn't as stable or fixed as we may think. Our characters are a loose combination of habits, interests and tendencies which vary depending on

KEY QUOTES

The Stickiness Factor

"There is a simple way to package information that, under the right circumstances, can make it irresistible. All you have to do is find it."

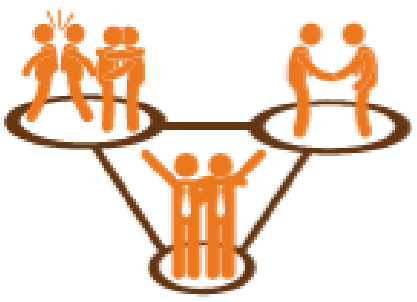
The Power of Context

"Human beings are a lot more sensitive to their environment than they may seem... an epidemic can be reversed, can be tipped, by tinkering with the smallest details of the immediate environment."

circumstances the contexts we're in. When the context or immediate details of our situation are changed, the definition of acceptable behaviour (and consequently our actual behaviours) will change too.

Gladwell gives several examples of how people may behave seemingly out of character, including committing crime, when they are placed in different environments. In short, your heart-felt convictions and actual thoughts are less important in determining your actions and behaviors than your immediate context.

Gladwell also examines the "Broken Window Theory," which suggests that broken windows in a neighborhood will lead to higher violent crime rates. Based on the Power of Context, to reduce the crime rate, we should fix the windows rather than arrest people for crime.



b. Rule of 150

Gladwell moves next into the concept of social channel capacity. He suggests that we can increase our chances of tipping epidemics simply by manipulating the size of groups. The best way to manage a group of people is to keep the group sizes within 150 people. When a group is too big, people don't have enough shared memories, nor are they close enough for peer pressure to effectively kick in. Use organized mechanisms to facilitate the movement of new ideas and information within and between the groups, so it's easier for social influences to tip things over.

This important rule gives us fresh lenses to understand the dynamics of social media and professional networks like LinkedIn, Facebook and Twitter.

Applying the Rules of Epidemic

Focus your resources on the few. Starting an epidemic requires resources. Focus them where it matters – on the Connectors,

KEY QUOTES

"Keeping things under 150 just seems to be the best and most efficient way to manage a group of people... If you get too large, you don't have enough work in common. You don't have enough things in common".

Mavens and Salesmen, as they will determine if successfully spark an epidemic to begin with. Don't waste your resources elsewhere; concentrate them fully on those 3 groups.

Find your Stickiness Factor. Don't rely on your intuition or gut-feel of what will work. Test your theories on what messages will stick, before you roll them out on a large scale. Notably, small details matter as much as, if not more than, big changes. Pilot testing, Beta testing and A-B testing etc. are all ways to identify your Stickiness Factor before a full launch.

Manage contexts to shape behaviour. First, consider the environment, circumstances and conditions when choosing the timing and location of your messages. Second, keep group sizes to under 150 and use systems and processes to keep the community tightly connected.

Other Useful Details in the Book to Look Out For

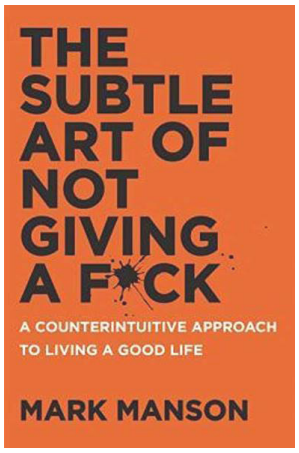
Gladwell builds a strong case for the 3 rules of epidemics, with a wide range of examples and case studies to help us understand how epidemics work (and why they fail). Notably, his examples and illustrations cover a variety of industries and scenarios including:

- Retail brands such as shoe companies Hush Puppies and Airwalk, and innovation clothing company Gore
- Politics, crime rates, teen suicide and smoking trends, including the reversal of negative epidemics
- Real-life examples of connectors, mavens and salesmen: who they are, what makes them different, and how they tip epidemics
- Children and education programs, including Sesame Street, Blue's Clues and medical programs
- Books and communities including Divine Secrets of the Ya Ya Sisterhood and the Hutterite Methodist community

KEY QUOTES

Starting an Epidemic

"Merely by manipulating the size of a group, we can dramatically improve its receptivity to new ideas. By tinkering with the presentation of information, we can significantly improve its stickiness. Simply by finding and reaching those few special people who hold so much social power, we can shape the course of social epidemics."



THE SUBTLE ART OF NOT GIVING A F*CK

A Counterintuitive Approach to Living a Good Life

MARK MANSON

The Big "So What"

Today, people enjoy more material wealth and comforts, yet tend to feel more impoverished emotionally and psychologically. This book offers insights and tips to help us cope with our pain, failures and regrets, so we can live fully and find genuine happiness.

Introduction

We are constantly bombarded by messages about becoming happier, healthier, smarter, and richer. We buy more things, tips and experiences, hoping to improve our image, happiness level and satisfaction. Yet, in the pursuit of more, we end up losing sight of what we already have, and reinforce our sense of lack.

Manson explains why our modern values—like success, positivity, greatness, and freedom—can actually make us more insecure and miserable. The way to be happy and fulfilled, he says, is to not give a f*ck about everything we're told to care about. Instead, get clear on what truly matters, focus your choices on those few priorities, and accept that in spite of that, you'll still make stupid mistakes and suffer occasionally.

In this summary, we'll present the key ideas in 2 parts:

- Debunking modern myths on success and happiness; and
- Embracing the 5 counterintuitive values for a good life

KEY QUOTES

"This book will turn your pain into a tool, your trauma into power, and your problems into slightly better problems."

"We are so materially well off, yet so psychologically tormented in so many low-level and shallow ways."

"The key to a good life is not giving a fuck about more; it's giving a fuck about less, giving a fuck about only what is true and immediate and important."

Debunking Myths on Success and Happiness

Stop Trying

Why do people feel unhappy and depressed despite having more choices and material success?

The **paradox** is this: the more you pursue the positives, the more negative you'll feel and vice versa:

- *The more you chase after the positives, the worse you'll feel*. Those who desperately want to be rich, worthy or happy tend to feel poorer, more unworthy or unhappy, no matter how much they already have in life.

- On the other hand, *the more you accept the negatives in your life, the better you'll feel*. Embracing your failures makes you wiser, accepting your flaws makes you more authentic, and facing your fears gives you more confidence.

We're surrounded by messages about why we should overcome our negative feelings and feel good about ourselves—so much so that we tend to feel bad for feeling bad. Manson calls this the "**feedback loop from hell**".

- Imagine you're angry about a mistake you've made. You become angry with yourself for dwelling on your mistake (since you know you should be positive), and you're now angry about feeling angry. It doesn't help that the TV, internet and social media are full of amazing stories and images of people who've rebounded from failures and are now living happy, perfect lives. So now you feel doubly bad for feeling bad, and the *negative loop* continues.

- The way to stop this feedback loop is to *stop giving a f*ck about everything* or trying to be perfect. Realize that shortcomings and bad feelings are perfectly normal, and stop fretting over them.

KEY QUOTES

"Our crisis is no longer material; it's existential, it's spiritual. We have so much fucking stuff and so many opportunities that we don't even know what to give a fuck about anymore."

"The more you pursue a positive experience, the more negative you feel. The more you accept a negative experience, the more positive you feel."

"These moments of non-fuckery are the moments that most define our lives."

However, this doesn't mean that you should become indifferent to everything. There are **3 nuances to not giving a f*ck**:

- Don't give a f*ck about *conventional norms and others' opinions*. Dare to be *different*, be it making that scary career switch which everyone advises against, or leaving that abusive spouse.

- Don't give a f*ck about *pain and adversity*. You can't expect to make real breakthroughs while avoiding challenges and failures. Figure out what's truly important, what's worthy of your time and energy, and give a f*ck about *that* above all else—including your pain and fears.

- People who claim they don't care about anything are actually hiding behind a mask of indifference to avoid making tough choices in life. *You have to give a f*ck about something*, so choose your priorities carefully. Don't waste time and energy on things that don't matter, e.g. the rude waiter, your colleague getting promoted over you, or missing a great bargain. Decide what you do care about, go all out for it, and be prepared to put aside everything else, including others' opinions and the risk of failure.

KEY QUOTES

"Not giving a fuck does not mean being indifferent; it means being comfortable with being different."

"To not give a fuck is to stare down life's most terrifying and difficult challenges and still take action."

"The point isn't to get away from the shit. The point is to find the shit you enjoy dealing with."

Pain isn't bad

Pain is your friend. Pain is a part of our biological feedback system to spur us into action.

- It's not something bad to be avoided, but *a tool* to tell us something needs our attention. *Physical pain* warns us of possible danger (e.g. a hot stove or a knife blade), while *psychological pain* tells us that something is out of balance.

- Pain and suffering are an integral part of human existence. No one can avoid them, e.g. the rich suffer due to their riches while the poor suffer due to their poverty. Since *pain is inevitable*, trying to avoid it will only bring more pain. Instead, learn to accept it and let it go.

"Our own pain and misery aren't a bug of human evolution; they're a feature… Pain, in all of its forms, is our body's most effective means of spurring action".

In fact, happiness doesn't come from being problem-free. Happiness comes from solving meaningful problems.

- Everyone has problems, and new problems will keep surfacing. In fact, your solution to one problem often creates even more problems. For example, you may buy a gym membership to overcome the inertia to exercise, but now you must make time to go to the gym. The person you love and marry is likely to be the person you quarrel with the most. Your dream job is also likely to give you the most challenges and sleepless nights. So, the key is to *find meaningful problems that you'll enjoy solving*.

- When we *deny/avoid our problems* or tell ourselves they can't be solved, we feel miserable. Many people also distract themselves with temporary highs like alcohol or adventures. The longer you avoid your problems, the more painful it will be when you eventually face them.

Treat your emotions as signposts. Our feelings are biological signals to tell us what's working or not working. However, emotions are not always accurate and they don't last. Hence, don't suppress your emotions, over-identify with them, nor make decisions based on emotions alone.

All of us want positive feelings and outcomes, but we don't stop to consider the pain and struggles needed to achieve those outcomes. Rather than focusing only on the outcomes you'd enjoy, ask yourself: What pain and struggles might you enjoy and sustain? For example, will you enjoy the pain of training for a triathlon, or the uncertainties of entrepreneurship? **By identifying what you're willing to endure**, you can fall in love not just with the reward but also the process.

You're not special

Everywhere we turn, we hear writers, speakers and experts telling us that we're unique and destined for greatness. We're surrounded daily by extreme stories about the biggest, grandest, fastest, richest people or events. These stories are crafted to grab our attention, and they also create dangerous perspectives that extremes are the norm, and being average is a sign of failure.

KEY QUOTES

"The secret sauce is in the solving of the problems, not in not having problems in the first place."

"Problems never stop; they merely get exchanged and/or upgraded."

"Emotions…(are) feedback mechanisms telling us that something is either likely right or likely wrong for us—nothing more, nothing less."

"You can't win if you don't play."

"Our struggles determine our successes."

"This flood of extreme information has conditioned us to believe that exceptionalism is the new normal."

In reality, most of us are average. Even if we excel in 1 area, we're usually average or below average in other areas. When people have unrealistic expectations of what's "normal", they (a) feel insecure/inadequate and try to overcompensate by pursuing get-rich-quick schemes, taking extreme actions, voicing radical views, and/or (b) develop an inflated sense of self-importance and a false sense of entitlement.

People who achieve extraordinary results don't start by expecting to be great, or feeling entitled/special. They accept that they're average and the bulk of the work they do will be mundane and inconsequential. They focus on improving themselves day after day, rather than pretending to be the next big thing when they're not. In the process, they learn to appreciate the small pleasures of learning, solving problems, helping others, and connecting with friends and loved ones.

Likewise, when we believe our challenges are unique, we tend to feel as if the world owes us something. In reality, everyone goes through trauma in life—be it parental divorce, a bad accident, or a major betrayal. Having challenges doesn't make you privileged or entitled in any way. There are many others who face similar, if not worse, challenges than you, and have taken concrete steps to deal with them.

Suffer Purposefully

Throughout history, humans have willingly suffered for causes they believe in—be it voyaging to discover distant lands or waging war for the glory of an empire. Since suffering is inevitable, the question we should be asking isn't how we can end our suffering, but for what *purpose* are we suffering.

We gain self-awareness in layers:

- 1st level: Understand *what* emotion you're feeling, e.g. angry, sad, or happy. Learn to overcome your emotional blind spots, or the emotions you've been taught to ignore.

- 2nd level: Understand *why* you're feeling that way. It may take months or years to uncover the root causes.

KEY QUOTES

"The Internet has not just open-sourced information; it has also open-sourced insecurity, self-doubt, and shame."

"The ticket to emotional health…comes from… accepting the bland and mundane truths of life."

"The easier and more problem-free our lives become, the more we seem to feel entitled for them to get even better."

"Self-awareness is like an onion. There are multiple layers to it, and the more you peel them back, the more likely you're going to start crying at inappropriate times."

"Our values determine the nature of our problems, and the nature of our problems determines the quality of our lives."

- 3rd level: Understand your *personal values*, which affect what you define as success or failure, how you measure/judge yourself and others, and what you do or don't do. This is the most important but difficult layer to peel open, because you must get uncomfortable and be honest with yourself.

Many self-help tips focus on the first 2 levels of awareness. However, fundamental change occurs at the 3rd level—when you **change your values**, you change how you view success and failure in life.

- After Dave Mustaine was kicked out of Metallica, he went on to form a new band and became massively successful in his music career. Yet, 20 years later, he still felt like a failure for being thrown out of his former band. By contrast, Pete Best was kicked out of The Beatles and never rebuilt his music career. However, he met his wife, built a loving family, and believed he was much happier than he would've been if he had stayed with The Beatles. Both men faced similar setbacks, but took different actions and *evaluated their lives differently* because they held different values.

- Most of us instinctively use money and status to measure ourselves against others, but these are not the only yardsticks we can use. The next time you feel troubled, examine the underlying reasons and values behind your feelings, and consider if you could re-evaluate the situation using *better values or metrics*.

Good and bad values. Manson says that good values should meet 3 criteria: be (a) based on facts, (b) socially-constructive and (c) immediate and controllable. Bad values are the opposite.

- *Good, healthy values* are intrinsic and fully within your control since you can always shift your attitude or perspective. Examples include: honesty, innovation, respect for self and others, curiosity, and humility.

- *Bad, unhealthy values* are extrinsic and are thus not fully within your control. Common examples include:

  (a) *Pleasure*: It provides short-term, superficial satisfaction but brings emptiness in the long-run.

KEY QUOTES

(b) *Material success*: Research found that material success improves happiness only insofar as it helps people to meet their basic needs (e.g. food and shelter). Once those needs are met, additional wealth has almost no impact on happiness.

(c) *Being right*: This only prevents you from acknowledging your flaws and learning from your mistakes.

(d) *Staying positive*: It's unhealthy to focus only on the positives. Acknowledging the negatives is the only way to address our problems to generate happiness.

In short, self-improvement is really about identifying better values, prioritizing them, and learning not to give a f*ck about what doesn't matter.

The 5 Counterintuitive Values for a Good Life

Take radical responsibility

When you take responsibility for your problems, you **gain power** over them.

- When you feel that you're forced to face a problem, or blame others for your unhappiness, you feel victimized and miserable. You miss the fact that only you can control your emotions, and stop considering how you may have contributed to the situation. On the other hand, when you *choose* to tackle a problem, you can actively look for solutions and thus feel empowered and energized.

- Imagine that your business partner has just cheated you of $1mil. You can choose to feel helpless and depressed, or feel motivated to turn things around. You can blame everything on your partner and bad luck, or you can acknowledge that you failed to identify the tell-tale signs and do your due-diligence.

KEY QUOTES

"Constant positivity is a form of avoidance, not a valid solution to life's problems."

"When you give better fucks, you get better problems. And when you get better problems, you get a better life."

"Often the only difference between a problem being painful or being powerful is a sense that we chose it, and that we are responsible for it."

You're always choosing. Even though you can't control what happens around you, you can *always* control how to interpret these events and how you respond (or not respond) to them. Even saying "I have no choice" or "there's nothing I can do" is in itself a choice.

- Even *when life deals you a bad hand* (e.g. being born with deficiencies, losing a loved one), you can choose how to react. No matter how severe your setback, there's always someone else who've been dealt a worse hand and made something out of his her circumstances.

- *Responsibility vs Fault*. We love to take credit for success, yet we avoid responsibility for problems because we wrongly associate responsibility with fault. Taking responsibility for a problem will not put you at fault, e.g. a judge is responsible for judging a murder case, even though he's not at fault for the murder.

- When we *criticize others and complain* about how offended we are, it feels good because we seem to be on moral high ground. However, in the process, (a) we forget that democracy is about respecting diverse viewpoints, and (b) we get so distracted by the trivialities that we lose sight of the truly important issues.

Making the shift. The next time you find yourself feeling offended, victimized or self-righteous, stop to consider if the issue really matters. If not, choose to let it go and focus on something more meaningful. It will take time to figure out what values really matter to you, but it's never too late to start today.

Embrace Uncertainty

Test your assumptions. Much of what we consider to be "universal truths" could actually be wrong. Mankind once believed that diseases could be cured by draining bad blood, and that the sun revolved around Earth. At some point, all of us were also absolutely certain about something that turned out to be totally wrong.

- *Success and learning fall on a spectrum*. You don't move from failure to success, or from wrong to right. You move from less successful to more successful, from wrong to less wrong.

KEY QUOTES

"The more we choose to accept responsibility in our lives, the more power we will exercise over our lives."

"Growth is an endlessly iterative process...We are always in the process of approaching truth and perfection without actually ever reaching truth or perfection."

- *There's no "right" ideology or viewpoint*. Our values and beliefs are formed from our subjective interpretation of the limited experiences we have. Over time, we each form different views on the meaning of life and the best way to live. Since all of us have different experiences, we'll also have different perspectives and conclusions about life.

- The only way to grow is to realize that *your values and beliefs aren't absolute*—they can always change or be proven wrong. Don't insist on being right, or cling on to beliefs like "I'm not smart enough", "no one will like me". Treat them as assumptions to be tested.

Don't trust your brain. Research shows that the human brain is highly prone to biases, mistakes, and imperfect memories.

- To help us understand the world, our brain constantly creates associations between cues and experiences. However, it may *misinterpret cues* ("he's up to no good because he keeps staring at her bag"), or see *imaginary patterns* ("I'm getting X because I do Y"). Once we form a conclusion or bias, we tend to subconsciously dismiss cues that're inconsistent with our beliefs or recall only details that support our biases/feelings.

- Our brains also don't remember things perfectly. Each time we recall something, we tend to fill in the gaps with our own imagination, e.g. using images from the TV or internet. Over time, our *memories can become distorted*. We may even invent memories of events that never happened.

The dangers of absolute certainty. When we're absolutely sure about something, we feel insecure if things don't turn out as expected. We start to justify that it's ok to cheat, take what's rightly ours, or dish out punishment that others deserve.

- Psychologist Roy Baumeister found that people who do bad/evil things tend to feel *fully justified* in their actions, e.g. they believe they have the right to rape women or torture people.

- On the other hand, when we *embrace uncertainty*, we feel more comfortable about our ignorance and no longer feel the need to judge others and ourselves. The first step to learning and solving problems is to accept that your current priorities, values, beliefs and actions may be wrong—only then can you consider potentially better alternatives.

KEY QUOTES

"Many people become so obsessed with being "right" about their life that they never end up actually living it."

"We're in a perpetual state of misleading ourselves and others for no other reason than that our brain is designed to be efficient, not accurate."

"Evil people never believe that they are evil; rather, they believe that everyone else is evil."

"The only way to solve our problems is to first admit that our actions and beliefs up to this point have been wrong and are not working."

A related concept, Manson's Law of Avoidance, says that we'll avoid things that threaten our **self-identity,** e.g. avoid risks to protect an image of infallibility, or stay in a painful relationship to prove that we're steadfast.

- Instead of limiting yourself to a certain self-identity, tell yourself that you're still *discovering who you are*, so you stay humble and open-minded.

- Define yourself in the *broadest, simplest way* (e.g. a friend, a creator, a father) so your identity is less likely to be threatened, and you're less likely to feel special and entitled.

Learn to ask yourself **3 questions**: (a) "What if I'm wrong?" (b) "What would it *mean* if I were wrong?" and (c) "Would being wrong create a better or a worse problem for both myself and others?"

Fail Forward

Your values and beliefs determine how you approach life, e.g. you may have a greater fear of failure if you seek to be well-liked (compared to if you seek to improve your relationships). Go for **process-oriented values** that allow you to embrace failure. Generally, the longer you've failed at something, the more improvements you'll make and the greater your eventual success or mastery.

Accept pain (e.g. anxiety, fear, sadness) as an essential part of psychological growth.

- At the *lowest points in our lives*, we're often forced to question why we're failing and to consider what we must do to move forward. That's why people who've overcome great suffering and pain (e.g. warfare) tend to feel more grateful, confident and grounded.

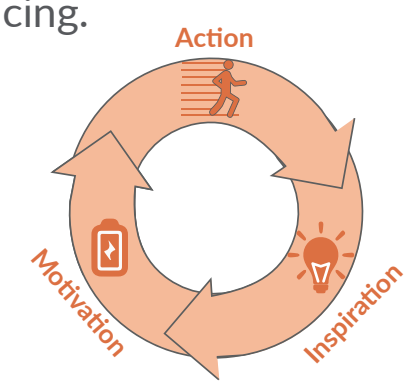
- Pain can make simple questions (e.g. "How do I say no"?) seem difficult and complex. In reality, we're held back by *underlying fears* (e.g. fear of rejection, fear of letting down our loved ones). Remember that these are merely assumptions, and you won't know if they're true unless you put them to the test.

KEY QUOTES

"Being able to look at and evaluate different values without necessarily adopting them is perhaps the central skill required in changing one's own life in a meaningful way."

"We can be truly successful only at something we're willing to fail at."

If you're stuck, just **start doing something** (anything), and you may find new ideas and answers surfacing.



- You don't always need motivation to drive action. When you take action, you'll trigger the *3-part cycle* of action, inspiration and motivation.

- To overcome the fear of failure, don't define success based on end-results. *Define success as the act of taking action*.

Get comfortable with rejection

Freedom through commitment. Many of us have been conditioned by our consumerist culture to believe that it's better to have more.

- While it's rewarding to enjoy diverse experiences, it can be equally (if not more) fulfilling to *focus on a few priorities* that matter. Commitment frees you from trivialities and allows you to dive deeper into what's most meaningful (e.g. deepening a relationship or mastering a craft).

- Psychologists found that *having too many choices* can reduce our level of happiness, because we end up wondering what we missed out. We also get diminishing satisfaction from excessive indulgence (e.g. your 100th house or holiday will be much less exciting that your first few).

- *Choosing your priorities*. In order to commit to a relationship, career, craft or value, we must be willing to reject something else. Ultimately, our choices—including what we choose to reject or commit to—will define who we are.

To build healthy relationships, it's vital to establish **trust and boundaries**. This requires both parties to be able to say and hear the word "no".

- In *unhealthy relationships*, people use one another to escape their own problems, or they try to "fix" others so they can feel good about themselves. They may expect others to take responsibility for their problems (e.g. a husband asking his wife

KEY QUOTES

"Action isn't just the effect of motivation; it's also the cause of it."

"Breadth of experience is likely necessary and desirable when you're young…But depth is where the gold is buried."

"More is not always better…We are actually often happier with less."

"When our highest priority is to always make ourselves feel good, or to always make our partner feel good, then nobody ends up feeling good."

not to go out with her friends because he feels insecure), or they may take responsibility for others' problems (e.g. pretending to agree with a friend so she won't feel rejected). When the goal of a relationship is to make yourself or your partner feel good, it'll result in pretense and manipulation, and things eventually fall apart.

- *Healthy relationships* come with strong boundaries—each party accepts full responsibility for his/her own values and problems. For example, a husband may acknowledge his insecurities and ask his wife for support to work through it.

- When *trust* has been broken, it can only be rebuilt with 2 things: (a) the trust-breaker must truly examine and identify the underlying values behind the breach of trust (e.g. need for validation, lack of control), and (b) be willing to change and prove it through action.

Contemplate your mortality

Many ancient philosophers have advocated the practice of **contemplating death**—it helps us to put our adversities in context and to appreciate life. People who fear death will not dare to live fully, while those who've confronted their mortality will become free to live each day to the fullest.

Ponder about your death and ask yourself: How will the world be different when you're gone? What is your legacy? How will you leave the world a better place?

- If you believe that the universe revolves around you, that you're entitled to greatness, suffering all the injustices, and/or need to amass a huge legacy so you won't be forgotten, you'll constantly feel the need to prove yourself and be plagued by fears of rejection, failure and death.

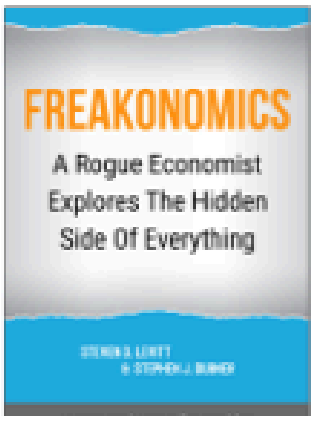
- However, if you can accept your life as a passing grain in the timeline of the universe, and focus on contributing to a wider cause that outlives you, you'll find true happiness. Make peace with death and make each living moment count—to discover yourself and live fully with no inhibition or shame.

KEY QUOTES

"Trust is like a china plate... If you break it more and more times, eventually it shatters to the point where it's impossible to restore."

"By spending the majority of my short life avoiding what was painful and uncomfortable, I had essentially been avoiding being alive at all."

"The only way to be comfortable with death is... to choose values that stretch beyond serving yourself, that are simple and immediate and controllable and tolerant of the chaotic world around you. This is the basic root of all happiness."



FREAKONOMICS

A Rogue Economist Explores
the Hidden Side of Everything

STEVEN D. LEVITT & STEPHEN J. DUBNER

Introduction

Economics is fundamentally about understanding how people respond to incentives to get what they want and need. This book explores the hidden side of things—from crime to parenting—to show that things are often not what they seem. We tend to see things through our morals and ideals, when everything actually operates based on economic incentives and disincentives.

The book comprises 6 key chapters with no unifying theme. In each chapter, the authors ask a seemingly-strange question, then use detailed stories and data to uncover the unexpected and often-uncomfortable truths:

Question	Freakonomics Answer
What do school teachers and sumo wrestlers have in common?	They respond to incentives, and will cheat if the incentives are "right".
How is the Ku Klux Klan like a group of real estate agents?	They both use/manipulate information for their own gains. Information is power.
Why do drug dealers still live with their moms?	Most drug dealers make much less money than we think. Conventional wisdom is often wrong.
Where have all the criminals gone?	The fall in crime rates in the U.S. in the 1990s was *not* due to most of the factors we read about in the newspapers.
What makes a perfect parent?	Parenting strategies and techniques matter much less than you think.
Would a Roshanda by any other name smell as sweet?	Names are correlated with your life outcomes, but they're a only a reflection (not a cause) of your circumstances.

In the next section, we'll dive into each of the 6 areas of discoveries addressed in this book.

KEY QUOTES

"What this book is about is stripping a layer or two from the surface of modern life and seeing what is happening underneath."

"Morality...represents the way that people would like the world to work—whereas economics represents how it actually does work."

Uncovering the Hidden Side Of Things

Incentives and Cheating

Our world revolves around incentives. To understand and solve problems, we must figure out how incentives really work.

An incentive is basically a way of encouraging people to do more (or less) of something, e.g. rewards for getting good grades vs punishments for bad behavior. Incentives are the building blocks of economics: almost every decision can be explained through incentives. To be effective, they must relate to things that people want or need.

There are 3 types of incentives: economic, social, and moral. Most incentive schemes include all 3 elements.

- For example, people may avoid crime due to a mix of economic incentives (to avoid being fined or jailed), moral incentives (to do what's "right") and social incentives (to be seen in a good light).

- A day-care center wanted parents to pick up their kids on time, so they levied a $3 fine for parents who were late. However, the number of late pickups actually *doubled*. That's because the fine was too affordable, sent the wrong signal that being late wasn't a big deal and removed the parents' guilt of being late. Without a moral incentive, parents continued to be late even when the $3 penalty was removed.

People cheat in order to get more for less. When the stakes are high enough, *anyone* may cheat. To prevent cheating, you must understand what people want, how they think and how they'd respond to specific incentives or disincentives.

- In 1996, "*high-stakes testing*" was introduced in Chicago public schools. Any school with low scores may be shut down and the teachers could lose their jobs. In addition, students could only move up to the next level with a minimum score on a standard test. The intention was

KEY QUOTES

"Economics is, at root, the study of incentives: how people get what they want, or need, especially when other people want or need the same thing."

"An incentive is a bullet, a lever, a key: an often tiny object with astonishing power to change a situation."

"Cheating is a primordial economic act: getting more for less."

to improve education standards, but teachers ended up cheating and inflating their students' scores to keep their jobs.

- In *sumo-wrestling*, a wrestler's ranking defines his entire career, from his income to status and treatment. So, to protect their rankings, elite sumo wrestlers in Japan ended up colluding with one another to rig or throw matches.

- *Blood donors* who were paid for their blood donations donated *less* blood than those who were merely praised. Those who were offered a big incentive (e.g. $5,000 per pint) may even resort to using fake blood to get the incentive.

? So, are most people honest on a typical day?

- Paul Feldman's bagel business sheds some light on this question. Feldman delivered thousands of bagels daily to >100 companies and returned later in the day to collect the cash basket and leftovers. By tallying the money collected against the number of bagels taken, he found that most clients were honest with their payments, and an "honest" company would have a payment rate of >90%.

- However, payment rates fluctuated due to a wide range of factors. Small offices were generally more honest than big ones (possibly due to the greater social incentives or fear of shame), and people paid more in good weather than in bad weather. During certain holiday seasons (e.g. Christmas week), theft rate increased while payment rates decreased. Yet, payment rates improved for other holidays (e.g. Labor Day) and in the aftermath of the 11 Sep 2001 terrorist attacks (when people were possibly more empathetic). Moreover, people were more likely to steal his bagels than his cash, probably due to the social stigma attached to theft, and the small amounts of money involved.

KEY QUOTES

"A thing worth having is a thing worth cheating for."

The Power of Information

Information (or the lack of it) can strongly influence behaviors and decisions. Its impact depends on who possesses it and how it's used.

"Information is a beacon, a cudgel, an olive branch, a deterrent—all depending on who wields it and how."

Information is power. Information asymmetry occurs when one party in a transaction has better information than the other party.

- The *Ku Klux Klan (KKK)* is an American hate-group that initially targeted African Americans, then Jews, Catholics, communists, immigrants, and other minority groups. It thrived in the 1860s, then the 1920s and and 1950s, operating like a terrorist group in cahoots with leaders in politics, business, and law-enforcement. After WWII, writer Stetson Kennedy sought to bring down the KKK in collaboration with John Brown. They infiltrated the KKK then made its secrets public through a novel and radio shows. Armed with specific information, Americans who opposed the KKK could now choose to take action, while those who may have embraced them were now reluctant to join/support the KKK. As a secret society, KKK's power came from its secrecy; it lost its advantage once those secrets were exposed.

- Even *assumed information* can have a big impact. A new car loses about 25% of its value overnight. The devaluation will happen even if you tried to sell the car within the next week, because people will simply assume you bought a lemon.

Many of us assume that experts (e.g. doctors, lawyers, brokers) are incentivized to act in our best interest. In reality, they exploit their informational advantage for *their* benefit, not yours.

- In theory, *real-estate agents* should get the best possible offer for your home so they can earn higher commissions. Yet, a study of real-estate sales revealed this: real-estate agents took on average 10 days longer to sell their own homes, and secured 3% higher prices compared to when they sold clients' homes. That's because an agent only earns a fraction of your home's selling price (especially if the commission is shared between buyer and seller agents). The incremental commission simply isn't worth the extra time effort required to secure the best price. For example, if you accept an offer of $475,000 instead of your targeted $500,000, the agent may earn $375 less, but he/she can close the deal quickly and move on to the next one.

KEY QUOTES

"Nothing is more powerful than information, especially when its power is abused."

"What better way to defang a secret society than to make public its most secret information?"

"Experts are human, and humans respond to incentives. How any given expert treats you, therefore, will depend on how that expert's incentives are set up."

"The point here is not that real-estate agents are bad people, but that they simply are people—and people inevitably respond to incentives."

- In extreme cases, experts may even use information asymmetry to commit crimes, hide true information or promote false ones. Such "*sins of information*" include the Enron scandal in the early 2000s, and how WorldCom and Global Crossing fabricated revenue figures to increase stock prices.

- The *internet* has partially levelled the playing field by reducing the information gap between the experts and the public. For example, the price of term life insurance fell drastically after users could compare policy prices online. You can now find information on almost anything online instead of relying solely on salespeople's or experts' inputs.

- Even with the internet, experts can still use information asymmetry to *play on your fears*, e.g. fear of losing out or making a wrong choice if you don't follow their advice. They count on you (i) having less information and not knowing what to do with the information, and/or (ii) respecting their expertise enough not to challenge them.

In reality, everyone abuses information, not just experts.

- All of us *present selective information* about ourselves, e.g. portraying our best front during an interview or a first date. Often, we're unaware that we're doing so.

- Studies of TV variety programs and dating apps found that people *discriminate* against others based on their race, gender, income levels etc. This could be due to personal tastes/preference or assumed information (e.g. biases and stereotypes about certain races or genders).

The Fallacy of Conventional Wisdom

Most conventional wisdoms are actually wrong. You can ask good questions about things people care about to uncover underlying truths, overturn conventional wisdoms and create a huge impact.

Economist John Kenneth Galbraith coined the term "conventional wisdom" to describe notions that reinforce people's self-interests, self-esteem and well-being. In

KEY QUOTES

"One characteristic of information crimes is that very few of them are detected. Unlike street crimes, they do not leave behind a corpse or a broken window."

"Armed with information, experts can exert a gigantic, if unspoken, leverage: fear."

"If you can question something that people really care about and find an answer that may surprise them—that is, if you can overturn the conventional wisdom—then you may have some luck."

short, conventional wisdoms may be "simple, convenient, comfortable, and comforting" but they're also usually wrong.

- Many conventional wisdoms come from *news media and advertisements* since they use jarring "facts" to grab attention.

  (i) In the 1980s, Mitch Snyder—an advocate for the homeless—claimed that about 3 million Americans were homeless, a shocking figure that meant 1 in every 100 Americans were homeless. Later, he admitted that he'd fabricated the number under pressure from the journalists. Unfortunately, it's not uncommon for "experts" and advocates to inflate numbers to win support for their cause.

  (ii) Likewise, no one paid much attention to bad breath until Listerine was marketed as the solution for "chronic halitosis". Since then, halitosis was seen as a real medical concern.

KEY QUOTES

"Working together, journalists and experts are the architects of much conventional wisdom."

"A little creative lying can draw attention, indignation, and—perhaps most important—the money and political capital to address the actual problem."

Regardless of the source and accuracy, conventional wisdom is hard to change once it's created. The authors spend the bulk of one chapter showing that drug dealing (especially crack dealing) is not as profitable as we've been led to believe.

- In 1989, a university undergraduate in Chicago, Sudhir Venkatesh, got to know members of the Black Gangster Disciple Nation while doing surveys in the district. Intrigued by how they operated, he practically lived with them for 6 years to study them and even got access to 4 years' records of the gang's financial transactions. Later, Venkatesh collaborated with Levitt to analyze the data and present a paper on the gang's operations.

- As it turns out, a gang is organized like any business, especially an established franchise like McDonalds. Each gang is merely a branch/franchise of a larger organization run by a board of directors. Each gang pays a percentage of revenues for the right to sell crack in a designated area. The gang leader is supported by officers (e.g. enforcer, treasurer, runner) who manage the remaining foot soldiers.

- Like any other capitalist enterprise, only a small proportion of people at the top of the pyramid make lots of money. In the gang that Venkatesh studied, the leader earned $66 per hour, but the officers only earned $7 an hour while the foot soldiers earned $3.30 an hour (below minimum wages).

- So, how did we get the impression that crack dealing is so lucrative? That's partially due to the stories spun by the police to justify how hard it is to fight against drug dealers armed with advanced weapons and deep pockets.

In the end, wages in any profession are determined by 4 factors: (i) the number of people available to do the job, (ii) the specialized skills required, (iii) the unpleasantness of a job, and (iv) the demand for the services.

- Crack dealing pays poorly like most *glamour professions* (e.g. sports, movies, music, and fashion) where lots of people compete for a few prized spots. You must start at the bottom, work hard at substandard wages, and consistently deliver outstanding performance to make it to the top. Criminals respond to incentives like everyone else, and are willing to slog it out for a chance to win big.

- By contrast, an average *prostitute* earns more than an average architect because few people aspire to become a prostitute, the skills are applied in a highly-specialized context, the job is unpleasant and there's a high demand for their services.

The authors also looked at what crack cocaine has in common with nylon stockings.

- Before nylon stockings were invented, silk stockings were only affordable for the high-class. Nylon stockings basically made this classy item available to the masses.

- Likewise, cocaine used to be considered a classy drug used exclusively by the rich and famous. However, crack cocaine could be produced with tiny amounts of cocaine, making the drug affordable to the masses and leading to the crack boom.

KEY QUOTES

Uncovering Distant, Unexpected Causes

Small, indirect and remote causes can trigger huge, unexpected outcomes. To understand and simplify our complex world, you must know what to measure and how to do it. The authors explain how they used data to filter out the facts vs myths of crime.

In 1966, Romania's Communist dictator Nicolae Ceaușescu made abortion illegal in order to boost Romania's population. Within 1 year of the ban, Romania's birth rate had doubled, but with unexpected consequences. As a cohort, children born after the ban did worse in all areas compared to those born a year earlier—they scored lower in school, had less success at work and were more likely to resort to crime. In fact, Ceaușescu himself was overthrown (and eventually killed) due to the revolt by young people who wouldn't have been born if not for his ban on abortion.

In the 1990s, crime rates in the U.S. started to drop drastically after a period of increase. Experts struggled to explain *why* this happened. Levitt reviewed 8 of the most-cited explanations, and showed that only 3 of them contributed to the decrease in crime. In fact, the #1 reason for the fall in crime wasn't even mentioned in the newspapers.

- A *strong economy* (and a stronger job market) wasn't really correlated with crime rates. In any case, it would at most affect money-motivated crimes (e.g. theft, burglary, robbery) and not violent ones (e.g. homicide, assault, rape).

- More *imprisonments* accounted for roughly one-third of the drop in crime, but still left two-thirds unaccounted for. On the other hand, *capital punishment* didn't really affect crime rates since it rarely happened and would account for at most one twenty-fifth of the drop in homicides.

- An increase in the *number of police* did significantly reduce crime rates, but *innovative policing strategies* (e.g. smart policing or cracking down small crimes to prevent bigger ones) didn't.

KEY QUOTES

"Dramatic effects often have distant, even subtle, causes."

- The *availability of guns* did explain the relatively high homicide rate in the U.S. Yet, guns alone can't be the main explanation since Switzerland is one of the safest places in the world despite having the highest firearms-per-capita compared to other countries. Levitt presents data to show why various gun laws haven't been effective in crime reduction. The *bursting of the "crack bubble"* also contributed to the drop of crime, since profits for dealing crack had become so low that fewer dealers were interested in the job.

- Data analysis also showed that an *aging population* had no influence on crime rates.

The biggest contributor to the drop in crime actually came from a development 20 years ago—the legalization of abortion. From the late 1960s, abortion was progressively legalized in various U.S. states before it was legalized in the whole country in the 1973 Roe v Wade judgment.

- An analysis of the correlation between each state's abortion rate and crime rate showed that:

  (i) States with the highest abortion rates in the 1970s experienced the greatest crime drops in the 1990s, whereas those with low abortion rates had smaller crime drops; and

  (ii) For states with high abortion rates, the entire drop in crime happened mainly in the post-Roe cohort.

- In short, legalized abortion led to less unwanted babies growing up in unconducive environments, which led to less crime. Studies in Australia and Canada found a similar link, and we'd seen a similar impact in Romania in the example earlier.

- It may be more comforting to believe that the decrease in crime was due to factors like brilliant policing or law changes. However, the data tells a different story: legalized abortion had a bigger impact on reducing crime rates than other factors cited.

KEY QUOTES

"The very factors that drove millions of American women to have an abortion also seemed to predict that their children, had they been born, would have led unhappy and possibly criminal lives."

Being the Perfect Parent

Many parents are obsessed about doing the right things to ensure their children's success. However, data suggests that the things parents *do* matter less than who/what they *are*.

Experts often play on parents' fear for their children, especially their safety. Generally, we're bad at risk-assessment: we over-react to things that scare us and under-react to things that kill us.

- According to Peter Sandman, people tend to evaluate risks based on the *"outrage" factor* more than the actual hazard itself. Things that're beyond our control tend to trigger more outrage. That's why mad-cow disease seems more scary than the spread of food-borne pathogens in our kitchen, even though the latter is much more common. People also tend to fear flying more than driving, when the per-hour death rate is similar for both modes of transport. We're also more afraid of immediate risks than long-term risks.

- Parents are more afraid to let their kids go to a house with a gun than one with a swimming pool, when a child is 100x more likely to die in a pool than get killed by a gun. We can save more children's lives by focusing on the *real, controllable risks* (e.g. taking swimming pool precautions) instead of the scary ones (e.g. buying expensive car seats).

Every parent and "expert" has different advice on the best way to parent a child, and such advice tends to contradict one another.

- Many studies suggest that *genes* influence about 50% of a child's abilities and personality. What about the other 50%? And, should successful parenting be measured by the child's personality, morality, creativity, school grades, adult income or other factors?

- The 1990s Early Child Longitudinal Study (ECLS) by the U.S. Department of Education measured the *academic progress* of >20,000 students from kindergarten to fifth

KEY QUOTES

"No one is more susceptible to an expert's fearmongering than a parent...The problem is that they are often scared of the wrong things."

grade. By using regression analysis, you can examine the impact of 1-2 variables whilst holding the other variables constant to glean valuable insights.

(i) The gap in test scores between black and white students was eliminated once you exclude the impact of their parents' income and education level, and the mother's age when she had her first child. In fact, black students in good schools performed better than white students in poor schools.

(ii) 8 factors that strongly affect academic performance are: the parents' education level, socioeconomic status, involvement in the PTA, the mother's age when she had her first child, the language spoken at home, the child's birthweight, whether the child was adopted, and whether the child has many books at home.

(iii) 8 factors that didn't matter were: whether the family is intact, whether they moved to a better neighborhood, whether the mother stopped working when the child was born, whether the child attended Head Start, whether the child was spanked frequently or watched TV regularly, and whether the parents read to the child regularly or brought the child to museums.

- These results suggest that *parents matter, but not in the way people think*. Parenting practices matter much less than the circumstances the child is born into, i.e. who the parents are and the lives they lead.

KEY QUOTES

"It isn't so much a matter of what you do as a parent; it's who you are."

Names and Life Outcomes

Does the name given to a child affect his success or failure in life? Data shows that names are *correlated* with (but do not determine) people's life outcomes.

The names that parents choose for their children reflect their own status and expectations for the child, but those expectations may not always be fulfilled. In 1958, a man Robert Lane named his baby son "Winner". Three years later, he named his next son "Loser" (for reasons unknown). Decades later, Winner had a long criminal record while

"People who can't be bothered to come up with a name for their child aren't likely to be the best parents either."

Loser was moving up the ladder in the New York Police Department. It seems that the boys' lives didn't play out according to their names. In fact, people avoided calling Loser by his real name and used alternative names like "Jimmy" or "Lou".

In the study of black culture, economist Roland Fryer Jr. found that black and white names are distinctly different. To investigate whether people's names affect their life outcomes, he dove into California's extensive birth-certificate database, which allowed him to trace the background of the parents as well as how each child turned out decades later.

- He found a clear divergence between black and white names since the 1970s. The blacks gave their children unique names whereas the whites tended to use more common names. The "whitest" names included names like Molly, Amy, Jake, and Conner. The "blackest" names included names like Imani, Ebony, DeShawn, and DeAndre.
- On average, someone with a distinctively black name will do worse in life than someone with a distinctively white name. First, the names are a reflection of the parents' socioeconomic status. Those with distinctively black names tend to come from low-income, low-education, single-parent backgrounds, and often get stuck in that cycle. Second, a black-sounding name comes with an economic penalty. When researchers send 2 fake resumes to prospective employers—which are identical except for the difference in names—the "white" resumes always get more job interviews than those with an immigrant or minority-sounding name.

In addition, when the babies' names are sorted by the parents' socioeconomic status, a clear disparity emerged between names given by low-income, middle-income, and high-income parents (and also for parents with high-education vs low-education). A pattern emerged: as certain names become popular among high-income, highly-educated families, they start to trickle down the socioeconomic ladder, until the name becomes so common that it loses its popularity. In short, (a) people are more likely to name their children after a well-to-do neighbor

KEY QUOTES

"[Your] name is an indicator—not a cause—of [your] outcome."

than a famous celebrity, and (b) you can predict the most common baby names 20 years later by studying the baby names that are currently the most popular among the upper-class.

Conclusion and Other Details in the Book

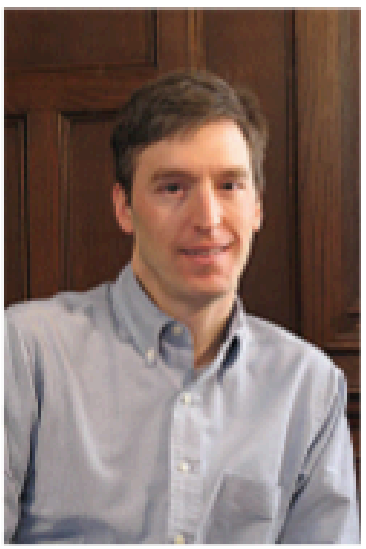
The main message of this book is to look beyond conventional wisdom and rose-tinted lenses of what we wish or imagine the world to be. By asking lots of questions and analyzing facts/data in detail, you can start to figure out what's truly going on. Bear in mind that in most cases, even with regression analysis, you can only prove strong statistical correlation but not causality.

In the book, the authors provide much more details of the various examples and ideas outlined in this summary. The 2006 revised and expanded version of this book also includes additional articles and blog entries. For more details and resources, please visit freakonomics.com.

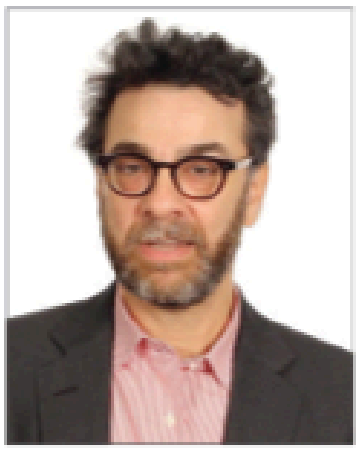
KEY QUOTES

"If morality represents an ideal world, then economics represents the actual world."

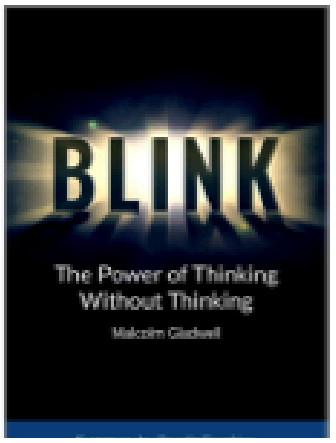
About the Authors



Steven David Levitt (born 1967) is an American economist and author. He was the winner of the 2003 John Bates Clark Medal for his work on crime, and is currently the William B. Ogden Distinguished Service Professor of Economics as well as the Faculty Director and Co-Founder of the Center for Radical Innovation for Social Change, both at the University of Chicago. He's also a co-founder of consulting firm TGG Group.



Stephen Joseph Dubner (born 1963) is an American author, journalist, and podcast and radio host (of Freakonomics Radio). He graduated from the College of Fine and Applied Arts at the Appalachian State University in North Carolina, and earned a Master of Fine Arts in Writing from Columbia University, where he also taught English.



BLINK

The Power of Thinking Without Thinking

Malcolm Gladwell

The Big "So What"

Have you ever wondered how you make snap decisions? In this book, Malcolm Gladwell uses scientific research, anecdotes, and expert insights to unveil the power and pitfalls of intuitive judgment. He explains how we use "thin-slicing" to gauge a situation rapidly, and offers tips to improve the quality and accuracy of our decisions.

Introduction

The book opens with a story that shows how instinctive, snap judgments can be as good as logical, deliberate analysis.

- The Getty Museum in Los Angeles was about to purchase a kouros, an ancient Greek statue. There were only about 200 kouros known to exist, making this a rare and valuable artifact. The museum experts did a comprehensive authenticity check over 14 months, using various scientific tests to analyze the material and age of the statue—and concluded that it was authentic.

- Yet, when art historians and experts saw the kouros, many instantly sensed that something wasn't right. True enough, further investigations revealed inconsistencies that suggested the kouros might indeed be a counterfeit. How did the experts detect the problem in just seconds or minutes, when the museum team had failed to do so after months of detailed analysis?

In this book, Gladwell emphasizes the importance of trusting our instincts, with 3 key messages:

- *Snap judgments can be as effective* as those made from lengthy deliberations.

KEY QUOTES

"Decisions made very quickly can be every bit as good as decisions made cautiously and deliberately."

- Our instincts can sometimes mislead us. Gladwell speculates that the Getty Museum team might have been so eager to acquire the kouros that they overlooked their own instincts. It's important to *know when to trust your instincts* (and when not to).

- With awareness and focused training, *you can enhance your intuitive decision-making*.

This summary is presented in 2 key sections:

- The powers and pitfalls of snap judgments; and
- How to improve intuitive decision-making

Part 1: The Power and Pitfalls of Snap Judgments

Thin-Slicing: How We Glean Insight from Limited Information

"Thin-slicing" refers to our innate ability to discern patterns and draw conclusions from minimal data. Such conclusions can be as accurate (or even more so) than those made from comprehensive analyses.

Gladwell shares several examples to illustrate how we can glean a lot from very little.

- *Predicting relationship success*: Psychologist Dr. John Gottman runs a "Love Lab" where he conducts extensive research on couples. Gottman can observe a couple for just 15 minutes and predict with 90% accuracy if they'd still be married 15 years later. The accuracy goes up to 95% after a 1-hour session.

  (i) Gottman's skill is like *decoding Morse Code*. To the untrained eye, the codes look like random dots and dashes. But experts can easily decipher the messages, and even identify a sender by the rhythm of the codes (just like voice recognition).

  (ii) Having studied thousands of couples, Gottman can translate their interactions into "emotional dots and dashes." He can intuitively sieve through their words,

KEY QUOTES

"Our unconscious is a powerful force. But it's fallible."

"Just as we can teach ourselves to think logically and deliberately, we can also teach ourselves to make better snap judgments."

"Predicting divorce, like tracking Morse Code operators, is pattern recognition."

"Morse code is like speech. Everyone has a different voice...We have to listen to only a few characters to pick out an individual's pattern."

expressions, and reactions, to diagnose the state of the relationship. However, he doesn't try to read all the communication cues. He only zeroes in on 4 critical signs that predict relationship problems: criticism, contempt, defensiveness, and stonewalling.

- *Understanding personalities through living spaces*: Psychologist Samuel Gosling ran an experiment, where he had students evaluate their peers on 5 personality traits: extraversion, agreeableness, emotional stability, conscientiousness, and openness to experiences.

  (i) One set of evaluation was done by close friends, while another was done by strangers who merely studied the subjects' dorm rooms. The results were compared against the subjects' self-evaluations.

  (ii) The strangers more accurately predicted 3 of the 5 traits compared to the subjects' close friends. That's because our living spaces reflect our habits and preferences. The strangers could pick out these cues without being distracted by other irrelevant cues such as the subjects' looks or mannerisms.

Thin-slicing is a natural instinct. You assess new people and situations all the time, and you're generally good at it. The key is to eliminate irrelevant details and zoom in on the few things that really matter (elaborated below).

The Locked Door: Why We Can't Explain Our Intuition

The adaptive unconscious refers to the rapid-response system in our brain. It processes vast amounts of data without our conscious awareness, and makes split-second decisions based on past experiences and instincts.

- *We're not fully aware of the reasons* behind our snap judgments. It's like part of our mind is kept behind a locked door. It's always at work, yet we're not conscious of its workings. For example, tennis coach Vic Braden could predict when a player was about to serve a double fault, yet he couldn't explain how he knew.

Even when we think we understand our choices, our explanations may not reflect reality.

KEY QUOTES

"It is quite possible for people who have never met us and who have spent only twenty minutes thinking about us to come to a better understanding of who we are than people who have known us for years."

"Sometimes we're better off if the mind behind the locked door makes our decisions for us."

- We might think we're doing one thing, when we're actually doing something else. For instance, baseball player Ted Williams could confidently explain how he played so well. Yet, slow-motion footage revealed that *his actions didn't match his descriptions*.

- During *speed dating*, participants meet a series of potential romantic partners in quick succession. They can decide within minutes if they'd like to see that person again, yet they find it hard to explain their choices. Often, they may choose partners who're different from their stated criteria, because they don't know the criteria being used by their unconscious mind.

We think that we're acting from our own free will, when our behaviors are often influenced by subtle cues around us.

- *The power of priming*: In an experiment, participants were asked to form sentences from words. One group was given words associated with politeness (e.g. "yield," "patient," "respect"), while the other was given words associated with rudeness (e.g. "intrude," "aggressive," "rudeness"). The participants primed with rudeness later interrupted a researcher while he was engaged in a discussion, while those primed with politeness waited patiently without interrupting.

- In another experiment, participants were challenged to tie 2 ropes dangling from the ceiling. The ropes were positioned far apart, so you can't reach both ropes at the same time. Many were stumped until the tester discreetly made one rope swing, hinting at the solution—to swing 1 rope while holding the other, then grab the swinging rope on its return swing and tie the 2 ropes. When the participants were asked to explain how they came up with the answer, almost all of them came up with some logical explanation. They didn't realize how their unconscious mind had picked up on the *subtle hint* to arrive at the answer.

- In short, we make unconscious, split-second decisions without knowing why. When our conscious mind tries to rationalize these decisions, *we end up creating stories that might be untrue*.

We live in world that demands hard facts and evidence, and we're often expected to explain how we arrive at our

KEY QUOTES

"Our unconscious reactions come out of a locked room, and we can't look inside that room."

"We have, as human beings, a storytelling problem. We're a bit too quick to come up with explanations for things we don't really have an explanation for."

"We need to respect the fact that it is possible to know without knowing why we know and accept that—sometimes—we're better off that way."

conclusions or decisions. Such attempts to rationalize our choices can lead to misleading narratives. Gladwell believes that it's sometimes better to trust our instincts, and to accept that snap judgments can be valid even if we can't explain them.

The Warren Harding Error: The Pitfalls of First Impressions

Snap judgments are powerful, but our first impressions can be misleading due to unconscious biases and flawed assumptions. The "Warren Harding Error" is named after Warren G. Harding, the 29th U.S. president.

- Harding was elected largely because of his appearance. He *looked* like a leader—with his tall stature, commanding presence, and distinguished facial features—so much so that people overlooked his lack of skills and experience in governance and leadership. Unfortunately, *appearances can be deceptive*, and Harding turned out to be one of the worst presidents in American history.

- This error isn't limited to politics. A disproportionate number of Fortune 500 CEOs are tall, pointing to our tendency to *associate height with leadership*, even though there's no factual basis for it.

Our attitudes operate on 2 levels: conscious and unconscious. Our conscious attitudes are the stated values that we use intentionally to guide our behaviors. Our unconscious attitudes are the automatic associations and judgments that we form unknowingly.

- No matter what your stated beliefs are, your actions and decisions are *influenced by your unconsciously beliefs/attitudes*. For example, if you value equality but are unconsciously biased toward people of color, you may spontaneously lean away from them or avoid eye contact.

- You can uncover your hidden biases using the *Implicit Association Test (IAT)*. This psychological tool measures the automatic connections that you make between 2 things.

  (i) Participants are asked to link a series of positive or negative words with specific categories like race or gender. The faster you link 2 words, the stronger their

KEY QUOTES

"We...have to acknowledge and understand those circumstances when rapid cognition leads us astray."

"We don't deliberately choose our unconscious attitudes... we may not even be aware of them."

"Being short is probably as much of a handicap to corporate success as being a woman or an African American."

association in your mind. For example, millions of Americans subconsciously link the words "evil" and "criminal" with "African American."

(ii) The unconscious attitudes revealed by the IAT are often different from our expressed beliefs, and it is our unconscious attitudes that drive our spontaneous/ unplanned reactions.

Such biases have a real-world impact. In a study, testers of varying races and genders were tasked to visit car dealerships to negotiate car prices. They dressed similarly and were equipped with the same negotiation script. Yet, white men consistently received the best price offers, while females and minorities received less favorable terms.

- Although our biases operate beneath our consciousness, *we're not entirely helpless* against them. For example, car salesman Bob Golomb deliberately treats every customer the same way, regardless of their background or appearance. He gives everyone a fair and consistent price instead of second-guessing how much they would be willing to pay. This unbiased approach has earned him the loyalty of his customers and helped him to outperform his peers consistently.

Limitations of Market Research in Consumer Preferences

Consumer decisions are complex and multi-faceted, and people often can't explain their unconscious choices. Thus, market research is often unreliable in predicting consumer preferences.

- In the early 1980s, Coca-Cola was losing market share steadily to Pepsi. Pepsi's ads showed people choosing Pepsi over Coke in a blind taste-test. So, Coke launched "*New Coke*" with a sweeter taste similar to Pepsi's. Blind tests confirmed that people preferred the taste of New Coke over the original. Yet, New Coke failed to take off, and Coca-Cola was forced to bring back the Classic Coke. Meanwhile, Pepsi never overtook Coke as the market leader. What can we learn from this example?

  (i) The blind tests involved just a sip of the drink, which didn't reflect actual consumption patterns. People may

KEY QUOTES

"Our first impressions are generated by our experiences and our environment, which means that we can...alter the way we thin-slice...by changing the experiences that comprise those impressions."

prefer Pepsi's sweeter taste in 1 sip, but find it overpowering when they finish a whole bottle.

(ii) Consumer preferences for Coke went beyond taste—purchase decisions are also influenced by brand loyalty, cultural perceptions, product packaging, etc. Feedback on 1 aspect of the product may not predict purchase decisions.

- Specifically, Louis Cheskin found that consumer preferences are influenced by many factors besides product quality. These include: *packaging, brand expectations, and context*. For example:

(i) Margarine became more popular after he changed its color from white to yellow and wrapped it in foil, so it resembled butter.

(ii) When brandies were decanted into plain bottles, people could no longer differentiate between premium and normal brands.

Our first impressions may not reflect our long-term preferences. This is especially true for ground-breaking products that we're unfamiliar with: we may claim to hate the product when we're simply unused to it.

- Take the Aeron Chair for example. It was introduced in the '90s by Herman Miller, with a radically different design from office chairs of that era. The chair was meant to be aesthetically pleasing and ergonomically superior, yet feedback from market research was discouraging. Many people found it strange or ugly, and most didn't see it as a luxury chair.

- Miller launched the Aeron Chair regardless. Initially, reception was lukewarm, but its popularity grew as people began to appreciate its ergonomic benefits and aesthetic appeal. The Aeron Chair eventually became a symbol of status and modern innovation, and was even displayed at the Museum of Modern Art.

Simple preferences can also become distorted by over-analysis.

- Often, consumers cannot explain their subconscious choices. When they're asked to explain their preferences or assess

KEY QUOTES

"The mistake Coca-Cola made was in attributing their loss in share to Pepsi entirely to the product. But what counts for an awful lot in colas is the brand imagery, and they lost sight of that."
—William Rhea

"It is the new and different that is always most vulnerable to market research."

specific qualities (e.g. texture, rhythm, aesthetics), they may over-think and invent narratives that don't reflect their true preferences.

- For example, when people were asked to taste and rank different jams, their rankings were closely aligned with experts' opinions. But, when they were asked to explain why they liked/disliked the jams, their rankings became different from the experts'.

Part 2: Improving Intuitive Decision-Making

Structured Spontaneity: Balancing Intuition and Analysis

Snap judgments and spontaneous actions may seem random, but they're actually built on past experiences, learning and practice.

To make effective snap decisions, you need the right blend of intuition and analysis.

- Specifically, apply deliberate thinking (which is slow and thorough) and intuitive thinking (which is fast and adaptable) in the *right contexts and combination*:

  (i) Use deliberate thinking when there's a clearly-defined task, ample time, and suitable tools for analysis. Then, use the results of the detailed analysis to create a *structure for intuitive thinking*.

  (ii) Don't try to use logical thinking/analysis to explain something visual or intuitive (e.g. dance moves or solutions to complex/creative problems). When we describe something in words (a left-brain activity), it can interfere with our visual/intuitive ability (a right-brain function). That's why you can easily recall your friend's face, yet you struggle to describe it in words.

- In 2002, the U.S. Department of Defense organized a war game called the *Millennium Challenge* to simulate a confrontation between the U.S. and a smaller rogue state.

KEY QUOTES

"Spontaneity isn't random.... How good people's decisions are under the fast-moving, high-stress conditions of rapid cognition is a function of training and rules and rehearsal."

(i) The U.S. forces were represented by the Blue Team, which was equipped with sophisticated computer systems and databases to analyze enemy data and possible strategies. The rogue state was represented by the Red Team, which was led by a retired Marine (Paul Van Riper) who relied mainly on experience and gut instincts to lead his team.

(ii) Despite the Blue Team's advance technology, they were outmaneuvered by the Red Team. Van Riper and his team did their analyses *before* the battle, then relied on their instincts and combat experience to respond nimbly during the battle. By contrast, the Blue Team was constantly analyzing and debating their strategies; getting so lost in the details that couldn't tap on their intuition.

- A similar pattern can be found in *improvisational (improv) comedy*. Performers step onto the stage without a pre-defined role or a script. They come up with material on the spot (or even take suggestions from the audience) to improvise as they go.

(i) Improv seems entirely spontaneous, but it operates on established rules that enable performers to react swiftly on stage. One foundational principle is the "Yes, And..." rule: when a performer introduces an idea, others must accept and build on it, so the scene can progress smoothly and organically.

(ii) The actors rehearse the rules so frequently that they become deeply-ingrained and can be applied intuitively during a performance.

Too much information can hinder decision-making. Be frugal with your use of information: **identify and focus only on the essential factors**, so you don't get bogged down by irrelevant data.

- Remember: thin-slicing is not about making decisions with insufficient data. It is about making decisions with the *right data*, however minimal.

- For example, the Cook County Hospital was overwhelmed by the sheer number of potential heart attack patients arriving at their Emergency Department. They couldn't admit every patient for further tests, yet they couldn't risk sending patients home if they were truly suffering from a heart attack.

KEY QUOTES

"They were so focused on the mechanics and the process that they never looked at the problem holistically. In the act of tearing something apart, you lose its meaning."
—Paul Van Riper

"When we talk about analytic versus intuitive decision making, neither is good or bad. What is bad is if you use either of them in an inappropriate circumstance."
—Paul Van Riper

"Snap judgments can be made in a snap because they are frugal, and if we want to protect our snap judgments, we have to take steps to protect that frugality."

"You need to know very little to find the underlying signature of a complex phenomenon."

Based on extensive research, Dr. Brendan Reilly developed a simple decision tree for *identifying heart attack patients*, using only 4 critical factors: ECG readings, pain from unstable angina, fluid in the patient's lungs, and systolic blood pressure. This proved to be 70% more effective than the original methods. In short, less can be more.

Making Decisions Under Stress or Trauma

Stress can cloud our intuition. When we jump to hasty conclusions in tense or high-stress situations, it can lead to disastrous results.

- In 1999, Amadou Diallo—a West African immigrant—was *tragically killed* by police officers in New York. Diallo was taking a walk outside his apartment building when he encountered 4 police officers. The officers started shooting when they thought Diallo was drawing a gun, when he was just reaching for his wallet. In another incident, college football player Robert Russ was shot by a Chicago police officer during a traffic stop. How did these happen?

- Under normal circumstances, most of us can "read" others' intentions and emotions through their *expressions and micro-expressions*. Psychologists Silvan Tomkins and Paul Ekman developed the Facial Action Coding System (FACS) which documents a myriad of human emotions expressed through a combination of facial-muscle movements, including subtle, fleeting micro-expressions.

- However, people with disorders (e.g. autism) may suffer from mind-blindness, i.e. they find it hard to discern others' emotional states. When normal people encounter high-stress or life-or-death situations, they may also develop *temporary mind-blindness* (or what Gladwell calls "temporary autism"). Time seems to stand still, and we may experience tunnel vision or temporary deafness as the body zeroes in on the threat and blocks out all other signals. For a time, we lose our ability to read others' intentions or emotions.

- We also need "*white space*", or a moment to effectively read or respond to others. In intense scenarios, we might rush to conclusion, worsening the effects of temporarily mind-blindness.

KEY QUOTES

"There is enough accessible information on a face to make everyday mind reading possible."

"I think that we become temporarily autistic…in situations when we run out of time."

Fortunately, we can train ourselves to respond more effectively in times of extreme stress.

- Our *heart-rate* increases with our stress levels. According to Lt. Col. Dave Grossman, we perform optimally in stressful situations when our heart rate is between 115-145 beats per minute. Beyond 145, our cognitive abilities start to decline. Past 175, our mental capabilities are comparable to animals'.

- The military and police forces often use *simulations* to train people to handle high-pressure situations. For instance, trainees may panic when they're first shot by a plastic capsule. But after repeat hits, they're usually able to continue operating in a relatively calm manner.

We can also control our environmental cues to influence our unconscious attitudes/beliefs. For example:

- Some police departments are shifting toward *one-officer patrols*. That's because solo officers are more likely to slow down to assess the situation cautiously, and seek backup rather than rush into a situation.

- The world of orchestra used to be dominated by men, since it was widely believed that women lacked the physical abilities to play as well as men. This changed with the introduction of *blind auditions*: when musicians play behind a screen, judges must assess them purely by the quality of music. This removes visual biases associated with age, race, gender, or appearance.

- People who displayed unconscious racial biases in IAT tests saw an improvement when they took the tests after engaging with positive representations of minority groups (e.g. watching the Olympics or reading about minority leaders). By interacting regularly with diverse types of people, you can *recalibrate your unconscious beliefs*.

Other Details in the Book to Look Out For

This book is packed with detailed stories, examples, and research to help us understand the power of and pitfalls of our intuition, and how

KEY QUOTES

"With experience we become expert at using our behavior and our training to interpret—and decode—what lies behind our snap judgments and first impressions."

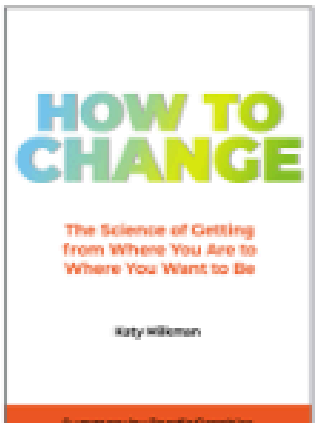
"If we can control the environment in which rapid cognition takes place, then we can control rapid cognition."

we can improve our rapid cognition to make better decisions in all areas of life. You can visit www.gladwellbooks.com for more details, visit www.implicit.harvard.edu for take various IATs for free.

About the Author

Malcolm Gladwell is an author, journalist, and public speaker. He has written for The Washington Post and The New Yorker and previously received the National Magazine Award for profiles. Gladwell has written several books, including New York Times bestsellers The Tipping Point and Outliers. In 2005, Gladwell was named among TIME magazine's 100 most influential people.

KEY QUOTES



HOW TO CHANGE

The Science of Getting from Where You Are to Where You Want to Be

KATY MILKMAN

The Big "So What"

Making changes can be hard. In this book, Katy Milkman identifies specific strategies to help you overcome key obstacles to change. By tailoring your strategies to your circumstances, you can successfully build new habits and achieve your goals.

Introduction

In 1994, tennis professional Andre Agassi was feeling frustrated by his under-performance. His new coach Brad Gilbert pointed out that Agassi was trying to make every shot a perfect killer shot, but ended up losing confidence each time he failed to knock out his opponent. Under Gilbert's coaching, Agassi adopted a different approach—to analyze and target his opponents' specific weaknesses. This fueled his resurgence to become the first unseeded tennis player in 28 years to win a U.S. Open trophy.

When it comes to building habits and making changes, many of us make a similar mistake. We try to adopt a one-size-fits-all approach, when it's much more effective to tailor your strategies to your specific challenges and weaknesses.

- In this book, Milkman combines her engineering training with insights from behavioral economics to explain how you can overcome 7 key obstacles to make any change you desire.

KEY QUOTES

"One-size-fits-all strategies won't get you nearly as far as tailored attacks on what stands in your way."

"You can use an all-purpose strategy that works well on average…But you'll get further faster if you customize your strategy: isolate the weakness preventing progress, and then pounce."

"When it comes to changing your behavior…your opponent is inside your head."

Overcoming the Obstacles to Change

1. Not Getting Started

Often, we fail to change or achieve our goals because we don't even get started. We may find it hard to break our current routines/habits, or we may lack the belief that we can succeed in the first place.

An ideal time to change is just after a fresh start.

- We tend to think of time in terms of *life episodes* (e.g. college years, working life, new parent) instead of a continuum. We assign labels to each new chapter (e.g. accounting, consulting, freelancer) which shape how we behave.

- From their research, Milkman and her colleagues uncovered the *fresh start effect*: people are more likely to do something new or different at the start of new chapters or milestones. For example, in a campaign to help non-savers to save money, they found that people were 20-30% more likely to start saving at a later milestone (e.g. after their next birthday or the start of spring), than to start saving at an arbitrary future date.

- Fresh starts increase our motivation to change because we feel like we're *starting from a clean slate*. Our past failures seem distant, we feel like a new person and feel more optimistic about the future. So, to begin the change process, start by looking for fresh start opportunities. These could come in the form of:

  (i) *Calendar dates* that mark new beginnings, e.g. a new year/week, birthdays, anniversaries;

  (ii) *Meaningful life events*, e.g. surviving a health crisis, moving to a new country; or

  (iii) *Resets*, e.g. starting again from a blank slate, or resetting your performance scores.

However, there's an important caveat. While fresh starts can trigger positive change, they can also disrupt your progress if you're already on the roll.

KEY QUOTES

"When we hope to change, we have an opportunity to try reshaping our environment to help us disrupt old routines and ways of thinking."

- When Major League Baseball (or MLB) players are traded across leagues mid-season, their statistics for the season are reset, However, the statistics are not reset for trades within leagues. One of Milkman's PhD students analyzed 40 years of MLB data, and found that below-average players tended to improve after a statistical reset, whereas above-average players tended to do worse after a reset (since they must rebuild their records from scratch).

- Similar outcomes were found in other performance studies: resets can help underperformers to up their game, but they can also hurt people who're already performing well.

2. Impulsivity

Impulsivity refers to the present bias, or our natural preference for activities that are instantly gratifying (e.g. having an ice-cream) over those that yield long-term benefits (e.g. going to the gym).

- *Don't rely on willpower alone* to overcome your resistance to painful or difficult activities, as you'll be fighting an uphill battle.

- Instead, make your natural instincts work for you by *redesigning tasks* to make them instantly gratifying. For example:

  (i) Psychologists Ayelet Fishbach and Kaitlin Woolley ran experiments where participants were encouraged to exercise and eat more healthy food. Those who were told to choose the most *enjoyable* activities/food did much better than those who were asked to choose the most *beneficial* activities/food.

  (ii) At Stockholm's Odenplan metro station, 66% of visitors voluntarily took the stairs (instead of elevators) after the staircase was transformed into a set of working piano keys, making it fun to walk up/down the steps.

Temptation bundling is about linking a pleasurable-but-undesirable activity with a virtuous-but-unpleasant activity.

KEY QUOTES

- This serves *2 simultaneous objectives*: reduce the time spent on temptations, and increase the time spent on valuable activities that serve your long-term goals. For example, if you dread going to the gym but love watching Netflix, then only allow yourself to watch Netflix while you're working out at the gym.

  (i) In a study, participants were given ipods with interesting audiobooks for a gym session. They were told about the benefits of temptation bundling, and instructed to return to the gym if they wanted to finish the audiobooks.

  (ii) Of these participants, some were given a free audiobook download—7% of this group still revisited the gym. For the remaining participants, the ipods were locked in the gym lockers, and 55% of this group actually revisited the gym!

- This shows that the knowledge of temptation bundling is already useful in itself, though it's much more effective if you can actually *restrict the indulgence* to prevent cheating.

You can also make an activity instantly gratifying through gamification.

- The idea is to add *game-like features* (e.g. contests, leaderboards, symbolic rewards) to make an activity fun and engaging.

  (i) This is already being used by many companies. For example, Wikipedia uses a recognition system to motivate its volunteer editors, Cisco gamified a program to help employees develop social media skills, while SAP gamified awards and badges to boost employees' sales performance.

  (ii) Gamification has even been used in clinical rehabilitation programs, e.g. using video games that simulate kayak paddling to help stroke patients recover faster.

- However, gamification only works if participants *buy in* to the game/goals, making it fun/exciting to do something they already want to do. It can backfire if people feel compelled to participate.

KEY QUOTES

"Gamification can help many of us tackle our goals, so long as we're choosing to use it to pursue goals we want to achieve."

3. Procrastination

Our present bias doesn't only cause us to prioritize instant gratification. It also leads us to procrastinate on less enjoyable tasks, including those that serve our long-term goals.

Economic principles say that, all else being equal, people will always choose to have more freedom. Yet, numerous studies have shown that (i) people may willingly restrict themselves to overcome unwanted temptations, and (ii) those who do so tend to achieve much better results than those who don't.

- In the early 2000s, about 31% of families in the Philippines were below the poverty line. The Green Bank sought to get people to save more—a goal that would benefit both the bank and their customers. They decided to try a new product: a *"locked" bank account* that offered customers the same interest rates as normal savings accounts, but prevented them from taking out the money until they reached a pre-selected date or account balance.

  (i) Surprisingly, 28% of the customers chose the more restrictive option even though the interest rates were the same as normal accounts.

  (ii) Those 28% ended up saving 80% more the following year compared to customers who chose a normal savings account.

- Dan Ariely and Klaus Wertenbroch ran an experiment to help MIT students to *complete assignments on time*. To pass the course, students had to hand in 3 papers by the end of the term. Half the students were given the option to voluntarily set *earlier* deadlines and to be penalized for each day they were late.

  (i) 68% of the students chose the restrictive option because they wanted to pace their assignments instead of waiting to finish everything only at the end of the term.

  (ii) The students who chose the self-imposed deadlines ended up submitting assignments with 50% fewer errors.

KEY QUOTES

Unfortunately, not everyone realizes how susceptible they are to temptations. "Naifs" are people who overestimate their level of self-control or willpower. On the other hand, "sophisticates" understand the limits of self-control and willpower, and use commitment devices to overcome temptation and procrastination. A commitment device is something that restricts your freedom to serve a bigger goal.

- *"Hard" commitments* involve concrete restrictions or penalties.

  (i) For example, you can put yourself on a casino's exclusion list to prevent yourself from gambling, or choose a "locked" savings account to prevent yourself from withdrawing the money until you've reached your savings goal.

  (ii) You can also create your own cash commitment device by putting money on the line. Simply set a goal and get someone to hold you accountable—if you fail to reach the goal, you'll pay your friend a penalty or contribute the money to charity.

- You can also make a public declaration as a *"soft" commitment*.

  (i) Doctors were 30% less likely to prescribe inappropriate antibiotics after they signed and displayed a formal pledge.

  (ii) You can also apply other soft restrictions, e.g. using a smaller plate to reduce the amount of food intake.

- Generally, hard commitments are more effective but less palatable than soft commitments. Make it easier to stick to your commitments by breaking down a big goal into *bite-size commitments*. For instance, you're more likely to save $3 a day than to save $1095 a year (even though both amounts are the same).

4. Forgetfulness

We may intend to do something but fail to follow through because we simply forget.

KEY QUOTES

"Many of us choose not to adopt commitment devices because we undervalue them or are naïve about how much we need them."

"If a commitment is bite-size, it appears less daunting to us, and we're more likely to stick to our word."

- A study found that 54% of registered voters in the USA said they intended to vote, but *failed to turn up* on Election Day. Health company Evive found that 70% of their clients' employees don't show up for free flu vaccinations.

- One of the most common reasons for flaking out is that *people forget*. Psychologist Hermann Ebbinghaus estimated that people forget almost 50% of what they learn within 20 minutes; they forget about 70% of what they learn within 24 hours.

Timely reminders are one of the best cures for forgetfulness.

- Reminders (such as alarms or email prompts) can reduce flaking out by about 8% on average. However, the most effective prompts should happen *just before the intended activity*.

- In a study, drivers were reminded to buckle their seat belts when they collected their vehicles from the valet. Those who received the reminder *just* as they stepped into their cars buckled their seat belts 80% of the time. On the other hand, there was no difference between drivers who were reminded a few minutes before collecting their vehicles, and those who received no reminders—both groups buckled their seat belts only 55% of the time. This shows that we can *forget a reminder* within a few minutes.

Cue-based plans are another great way to overcome forgetfulness. This is about linking a plan of action with a specific cue, i.e. "When ____happens, I'll do_____."

- A *cue* is anything that triggers your memory. It can be:

  (i) A specific date/time, e.g. 5pm on Monday;

  (ii) A location, e.g. the bus-stop outside your house;

  (iii) An object, e.g. a cup of coffee;

  (iv) An activity, e.g. stopping your alarm in the morning; or

  (v) An event, e.g. getting a pay raise.

KEY QUOTES

"There are many things we routinely forget to do in spite of having good intentions."

- Instead of saying "I'll exercise more" or "I'll save more", it's more effective to *build your plan around specific cues*. For example, "Every Monday, Wednesday and Friday at 5pm I'll go to the gym" or "When I get my salary, I'll save 5%." 62% of students who used cue-based planning achieved their holiday goals, compared with just 22% of students who using general planning.

- A *vivid, distinctive cue* (e.g. a stuffed green alien on a cash register or a purple rabbit) is much more effective in triggering recall than a generic cue (e.g. a cash register or normal rabbit).

- Cue-based plans are the most effective in cases where people *have not made detailed plans* for an event or goal. The very act of planning increases the likelihood of action because it:

  (i) Creates psychological commitment;

  (ii) Forces you to break down a vague goal into smaller, specific chunks; and

  (iii) Removes the need for in-the-moment decisions.

  For example, Evive saw a 13% increase in vaccinations just by sending letters to employees to think about and jot down the intended date and time for their free flu shot.

- To *combine cue-based plans with timely reminders*, get people to think about how, where and when they would take action, then set a timely reminder with vivid cues.

⚠ There are a couple of caveats to take note of:

- Cue-based plans only work if people already want to do something; and

- Too many cue-based plans can become overwhelming. So, (i) focus on a few key goals and (ii) use checklists if a plan gets too complex to remember.

KEY QUOTES

"The more vivid, catchy, and thus memorable the cue, the more likely it is to do its job and help us recall our plans."

"Planning forces you to do the critical work of breaking it down."

5. Laziness

It's human tendency to take the path of least resistance. We may stick to a comfortable routine even though it obstructs our goals, e.g. binge-watching TV instead of completing our MBA assignments.

The great news is, you can use laziness to your advantage. Behavioral scientists regularly use set-it-and-forget-it systems to nudge people to behave in a certain way.

- To get doctors to prescribe generic medicines, Penn Medicine added a checkbox that's set to generic prescriptions by default, so the doctors had to intentionally uncheck the box to prescribe branded medications. This simple adjustment increased generic meds prescription from 75% to 98%. People are also more likely to save if it's a *default* to contribute a portion of their salary into a savings plan unless they opt out.

However, such nudges may not work for behaviors that require a repeated decision (e.g. to exercise daily). In such cases, our existing habits will dictate our default behavior.

- Habits are formed when we're rewarded consistently—e.g. getting praises, emotional relief, or pleasure—by responding to a cue in a specific way. Once formed, our habits act like *behavioral shortcuts*, i.e. we'll perform the action automatically in response to the cue, even if the reward is removed.

- We can *drill desirable behaviors* until they become habits that we perform by default, e.g. having a healthy smoothie in the morning instead of oily bacon. In a study, participants were paid to exercise at a gym for a month. Those who were paid to exercise 8x a month continued to exercise more in the subsequent weeks compared to those paid to exercise once a month.

- However, an overly-rigid habit can backfire. To make your habits "stickier", build *flexibility* into your routine wherever possible.

  (i) Employees who were rewarded to visit the gym at a specific time were more likely to continue the routine

KEY QUOTES

"Laziness can be an asset...When laziness is properly harnessed, it can actually help facilitate change."

"Too much rigidity is the enemy of a good habit."

compared to those who were rewarded for visiting the gym whenever they liked.

(ii) However, once the schedule for the first group was disrupted, they stopped going to the gym altogether, while the flexible group continued to visit the gym at their convenience.

Unfortunately, there's no fail-safe for maintaining a habit. To build and sustain a habit, it helps to:

- *Track your behavior*, e.g. marking your activity on a calendar each time it's completed. This helps you to remember the activity, hold yourself accountable, and celebrate each successful action.

- *Aim for streaks*, i.e. a period of consistent, unbroken action. Comedian Jerry Seinfeld generates a joke daily, while founding father Benjamin Franklin tracked his success habits for 13 virtues. Avoid consecutive lapses (e.g. missing a few visits to the gym) as it can easily break a habit.

- You can also *piggyback on existing habits*, i.e. peg a new habit (e.g. journaling) to an existing, stable habit (e.g. drinking your morning coffee).

6. Lack of Confidence

Self-doubt can stop people from setting a goal or taking the necessary steps to attain them.

- When we see someone struggling, we may offer *unsolicited advice* to help them. Unfortunately, this ends up reducing their confidence to make things worse.

- Instead, it's better to *ask the other person for advice*.

Boost your confidence by giving solicited advice.

- Psychologist Lauren Eskreis-Winkler found that people were *more motivated* to achieve their goals when they were asked for advice than when they were offered advice. Milkman and her colleagues found that high school students improved their grades after giving advice to other students.

KEY QUOTES

"The most versatile and robust habits are formed when we train ourselves to make the best decision, no matter the circumstances."

"When we don't believe we have the capacity to change, we don't make as much progress changing."

- Asking people for advice is so *effective* because:

  (i) It conveys our belief in them, signals that they have something worthwhile to share and builds their confidence.

  (ii) In the process of giving advice, the other party has to consider the strategies for achieving certain goals. Since they'll feel hypocritical if they don't follow their own advice, they also become more motivated to take action.

- To create *opportunities for offering solicited advice*:

  (i) Form an advice club where members solicit help/advice from one another;

  (ii) Volunteer for a mentoring role; or

  (iii) Ask yourself: if someone were to ask you for help on the problem at hand, what advice would you give?

Manage your expectations to shape your behavior and reality.

- *Our expectations affect our outcomes* because our beliefs shape our emotions, what we focus on, how motivated we feel, and even our physiology.

  (i) Housekeepers who were told that their work was a form of exercise started to lose weight (unlike the control group which didn't receive the same message).

  (ii) People who thought they were consuming a high-fat, high-calorie milkshake felt fuller than those who thought they were consuming a no-fat, low-calorie milkshake. In reality, both groups were given the same beverage.

- Sometimes, a small mistake can lead to a *downward spiral* because we expect ourselves to keep failing. To prevent that:

  (i) Create some *allowance* when you set ambitious goals, e.g. aim to exercise daily, but allow up to 5 missed days a month for emergencies. This builds flexibility into your habits and helps you to stay confident in face of inevitable setbacks.

KEY QUOTES

"If giving advice can destroy confidence, then asking people who are struggling to be advisers....might be a better approach."

(ii) Adopt a *growth mindset* and rethink your definition of "failure". Realize that your abilities are not fixed, and every setback is an opportunity to learn and grow.

(iii) Use *self-affirmation* and focus on experiences that make you feel positive about yourself.

7. Conformity

We feel pressured to follow what others are doing because we want to fit in or we assume they know something that we don't. We're more likely to conform if (i) we feel uncertain about what to do, and/or (ii) the other person's traits or circumstances closely resemble ours.

You can turn this tendency to your advantage by surrounding yourself with people who'll influence you positively.

- Spending time around high-caliber people can expand your *capacity and perspectives*, whereas being around low achievers can do the opposite.

- Milkman's studies found that people are more likely to achieve their goals if they copy and adapt others' solutions instead of developing plans on their own. If you need ideas and inspiration for your goals, start by *emulating* the strategies and tactics of those who've already achieved what you want to achieve. You can always adjust their approach for your circumstances.

You can also influence others' behaviors by highlighting what's normal or typical, e.g. "63% of hotel guests reuse their towels to save water."

- However, social influence tactics can backfire if there's *too big a gap or difference* between achievers and non-achievers. For example, weak students who were grouped with strong students became demoralized because they felt it was impossible to bridge the gap. Employees were less likely to opt in to a savings program when they were told that most of their colleagues were already saving successfully.

KEY QUOTES

"We feel like misfits when we stand out from the crowd."

"When harnessed to help people, social norms can play a valuable role in changing our behavior for the better."

- We want to *look good in front of others* (e.g. our friends, colleagues, neighbors). So, we're more likely to do the "right thing" if we believe we're being watched.

  (i) In a study to promote green energy, homeowners were asked to sign up on a public bulletin where their neighbors could see who had (or had not) signed up. This yielded 3x more sign-ups compared to communities where the sign-ups were anonymous.

  (ii) As a rule of thumb, it's better to let people opt in to a chance to earn public praise, than to force them to do something to avoid public shaming.

- If a behavior is not yet widely-adopted, you can still leverage social influence by sharing an *upward trend*, e.g. "The number of people on the voluntary retirement scheme has doubled since last year".

- Social influence tactics work best when you focus on *tangible, instantly-achievable goals*. So, break down a big goal into small, achievable goals, and use social norms to encourage people to sustain their efforts.

KEY QUOTES

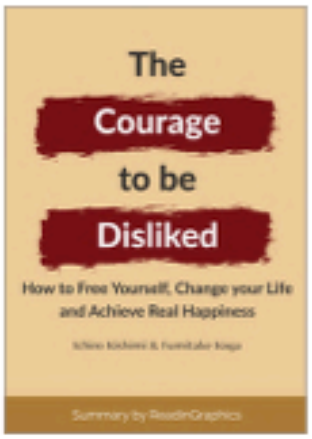
"Creating social accountability can dramatically change our behavior."

Conclusion and Other Details in the Book

The tools in this book can help you to overcome obstacles to change and to form helpful habits. However, the only way to achieve permanent, transformative change is to continually apply the techniques. Evaluate your obstacles as your goals and circumstances change, and adjust your game plan accordingly.

In this summary, we've captured the key insights on how to change. The book includes many other examples and references to help you understand and apply the concepts. For more details, please visit www.katymilkman.com.

"Transformative behavior change is more like treating a chronic disease than curing a rash."



THE COURAGE TO BE DISLIKED

How to Free Yourself, Change your Life and Achieve Real Happiness

Ichiro Kishimi & Fumitake Koga

The Big "So What"

The book answers the question "How can you achieve real happiness?" using insights from Adlerian psychology. The authors discuss concepts about self-acceptance, interpersonal relationships, personal growth, and personal freedom. They encourage readers to chart their own paths to find true happiness and fulfilment, even if it means breaking social norms and expectations.

Introduction

This book presents the key ideas and teachings of Austrian psychologist Alfred Adler, who founded "individual psychology." Contrary to common belief, Adler's philosophies differ from those of famous psychologists Sigmund Freud and Carl Jung. Adlerian psychology is more aligned with Greek philosophy and the teachings of Socrates, Plato, and Aristotle. Adler believed that happiness isn't something that happens to you, but the result of how you choose to live your life. You'll naturally find happiness if you develop yourself, build healthy interpersonal relationships, and contribute to your community.

There are 2 key behavioral objectives in Adlerian psychology:

- To *be self-reliant as an individual*. This requires the mindset "I have the ability (to create and steer my life)."
- To *live in harmony with society*. This requires the mindset "People are my comrades."

KEY QUOTES

"Your life is not something that someone gives you, but something you choose yourself, and you are the one who decides how you live."

The authors dive into these ideas using a dialogue between a wise philosopher and a young man who's unhappy with life.

- Over 5 nights of intense debate, the young man learns many concepts around these *5 overlapping themes*:

  (i) Your past doesn't dictate your future.

  (ii) To gain personal freedom, you must take responsibility for your life tasks, and let go of the need for external validation.

  (iii) All problems come from interpersonal relationships. So, you must improve your relationships to improve your life.

  (iv) The goal of relationships is to gain a sense of belonging, and you can only achieve this by contributing actively to your community.

  (v) Live earnestly in the present moment to enjoy a fulfilling life.

- In this summary, we've distilled and organized these inter-related ideas into *3 main parts*, presented in the next section.

Achieving Happiness & Fulfilment in Life

Your Past Does Not Dictate Your Future

According to Adler, there's no such thing as trauma. Painful experiences in the past cannot dictate your attitudes/actions unless you allow them to do so.

- The world is simple. It only seems complex because of our *subjective perspectives*. The same thing/event can be perceived differently by different people. For example, a glass of water at 15°C tastes cool to someone in the hot sun, but it tastes warm to someone in a freezing room.

"The world is simple and life is simple, too."

KEY QUOTES

- We're not defined by our experiences, but by the meaning we give to those experiences. What happened in the past matters less than *how we interpret and respond* to those events.

That's the difference between etiology vs teleology.

- *Etiology* focuses how the past affects the present. This is the approach adopted by Sigmund Freud, who focuses on how past experiences, traumas, or psychic wounds impact our current thinking and behaviors.

- By contrast, *teleology* in Adlerian psychology ignores the past. It focuses on how our actions are driven by our current goals and motivations for the future.

    - Imagine a young man, Tom, who dares not step out of his room. The moment he does so, he starts to suffer from severe palpitations. From an etiological viewpoint, Tom probably suffered from some trauma in the past which led to his fear of going out. From a teleological viewpoint, Tom's past doesn't matter. He's not going out because he doesn't *want* to go out (possibly because he wants his parents' concern and attention). So, he works himself into a state of fear/anxiety to keep himself indoors.

Everyone experiences emotions, but we're not controlled by our emotions. Instead, we create and direct our emotions as part of our response to external situations.

- No one can "make" you angry. If you're angry, it's because you *choose to use anger as a tool* to achieve your goals.

    (i) If a waiter spills soup on your favorite shirt and you start yelling at him, it's not because you've lost control of your anger. You've actually created the anger so you can yell at the waiter and get him to submit to you.

    (ii) If you receive a call from your boss in the midst of a heated argument with your son, you'll probably switch to a calm tone to address your boss. Then, once you put the phone down, you start shouting at your son again. This shows that anger can be put away like a tool. You're just using it to manipulate the person/situation.

- Instead of blaming events/people for "making" you angry, take *emotional responsibility* by acknowledging that you choose to be angry.

KEY QUOTES

"We are not determined by our experiences, but the meaning we give them is self-determining."
—Alfred Adler

"You are unable to change only because you are making the decision not to."

Regardless of what happened in the past, everyone has the ability to change and shape their future.

- It's true that you cannot change what happened in the past. For example, if you were abused as a child, that's a fact. But, you can *choose not to let those memories define and control you*.

- Even your personality is not fixed, and you can change your dispositions. Adler uses the term "lifestyle" to describe how we tend to think and act. He argues that the way we see ourselves and the world are 2 sides of the same coin. For example, you can say "I'm an optimist" (personality) or "I have an optimistic view of the world" (viewpoint). The former sounds unchangeable, whereas the latter sounds malleable. By *changing the lenses* through which you view the world, you can start to see yourself and the world differently.

However, it takes courage to change and grow. Change is scary because it involves uncertainty. So, most people would rather complain about their circumstances and justify why they're helpless to change the status quo. They tell themselves, "I can only succeed if I'm like X" or "I'll be happy only if Y happens". These are merely their excuses for not changing.

Many people spend their lives being trapped by regrets about the past or anxieties about the future. A key to happiness is to focus fully on the here and now.

- You cannot change the past nor control the future. You can only accept the past, look forward to the future, and focus your energy on *making the most of the present moment*. Your choices and actions today will shape your future. So, use whatever you have right now to achieve your goals/desires.

- We tend to think of our lives like a storyline, from the time we're born until the time we die. We fabricate stories to string together the events in our lives. However, it's more accurate to think of *life as a series of dots*, each representing a moment. Your life is the sum of those moments. So long as you live each moment fully and earnestly, you'll have a rich and fulfilling life.

- If you're overly-focused on *reaching a destination* (e.g. earning $1 million, becoming a famous actor), you'll treat everything

KEY QUOTES

"The important thing is not what one is born with but what use one makes of that equipment."
—Alfred Adler

"We do not lack ability. We just lack courage. It all comes down to courage."

"We cannot alter objective facts. But subjective interpretations can be altered as much as one likes. And we are inhabitants of a subjective world."

you do as a means to an end, to be completed as quickly as possible. If you fail to achieve the end-goal, your whole life seems like a failure. Even if you reach your goal, you may not be happy.

- Instead, *live each moment like you're dancing*. Realize that even if you die tomorrow, your life is complete as it is. Enjoy each moment fully, rather than see it as a step toward something else.

Gain Freedom through Personal Responsibility

Adlerian individual psychology is built on the concept of "holism," which says that each individual is a single, unified whole. You can't split your mind from your body, your conscious mind from your unconscious mind, nor your thoughts from your emotions. When you lose your temper and yell at someone, you're doing it as a whole person. Your emotions cannot "force" you to do it.

To be a member of society, you must perform 3 types of "life tasks". Fulfilling these tasks give you a sense of belonging and self-worth.

- *Work tasks* are the things you do as a part of your job, career, or contribution to society. Every person has the capacity to make a positive contribution.

- *Social tasks* relate to your relationships with other people outside of work, such as friendships or romantic relationships.

- *Love tasks* involve deep, intimate ties, such as those in love relationships or parent-child relationships. The closer the ties, the harder it is to build and maintain the relationship.

To enjoy personal freedom and happiness, you must take full responsibility for your life tasks, and leave others to theirs. Adler calls this the separation of tasks.

- *Know where your task ends and where others' task begins*.

  (i) Ask: Whose task is this? Who will ultimately benefit from the task or decision?

KEY QUOTES

"If one is living each moment earnestly, there is no need to get too serious."

"We are not struck by emotions that somehow exist independently from us. Each of us is a unified whole."

(ii) You can only be responsible for your own thoughts, feelings, and behaviors. You cannot control others' thoughts, feelings, and actions, including whether they like or dislike you.

- *Adopt the non-interference principle*: don't interfere with other people's tasks, nor let others interfere with yours. This is not about being indifferent or aloof. It's about untangling the knots in a relationship to see things more clearly. Live according to your own values and principles, respect others' autonomy, and recognize the limits of your responsibility and influence. For example:

  (i) If your parents oppose to your career choice, it's not your task to change jobs just to make them happy. Your task is to choose the path that you believe is right for you.

  (ii) If you have an unreasonable boss who yells at you all day, it's not your task to make him like you, nor to satisfy his every whim. You task is to do your job as best as you can, regardless of your boss's behavior.

  (iii) Studying is a child's task since it affects his learning and future. If your child refuses to study, don't intervene by punishing him or forcing him to study. Instead, let your child know that it's his task to study, stay interested in what he's doing, and be ready to assist whenever he needs it.

Task separation requires that you (i) stop living according to others' expectations, and (ii) stop demanding that others satisfy your expectations. This is hard to achieve because you must let go of the need for external validation.

- It feels good to be liked and recognized by others, and everyone likes to feel accepted and valued. But, if you're driven by the need for others' approval or recognition, you'll end up *living someone else's life* instead of your own. You may be tempted to do the wrong things just because no one is watching, or fail to do the right things because no one will notice.

- To achieve task separation, you need the *courage to be disliked* by others. You must also be honest with yourself: stop finding excuses to avoid your life tasks, blaming external factors or people for your unhappiness, lamenting about past injustices, or wishing for others to change.

KEY QUOTES

"What I should do is face my own tasks in my own life without lying."

"If you are not living your life for yourself, then who is going to live it for you?"

"All you can do with regard to your own life is to choose the best path that you believe in."

"Intervening in other people's tasks and taking on other people's tasks turns one's life into something heavy and full of hardship."

"People who are obsessed with...a desire for recognition will seem to be looking at other people, while they are actually looking only at themselves."

"Instead of waiting for others to change or waiting for the situation to change, you take the first step forward yourself."

Once you embrace task separation and release the need for recognition, you'll realize that you hold all the cards. Focus on the things you can do/change, rather than fret over things beyond your control. This will ultimately set you free and allow you to find true happiness.

Find Happiness by Contributing Actively to your Community

Human beings are social creatures. We get the greatest satisfaction and happiness when we feel like we belong and are making a positive contribution. Our well-being is closely tied to our relationships with others. In fact, Adler says that all problems are rooted in interpersonal relationships, since relationship problems will always spillover to other parts of our lives. When we improve our relationships, we naturally improve our lives.

Relationship problems are linked to our feelings of inferiority or a lack of self-worth.

- Feelings of inferiority aren't always negative. They can be a source of motivation to learn, improve, and strive for new heights, thus fueling healthy personal growth and improvement. Alder calls this the "*pursuit of superiority*."
- However, they can also lead to a defeatist attitude and a loss of courage if you develop an *inferiority complex*. This is when you tell yourself "I'm not good enough no matter what" or "Nothing I do will make a difference." Rather than overcome your shortcomings (e.g. a lack of skills or education), you use them as an excuse not to take action.
- Feelings of inferiority may also lead to a *superiority complex*, when people act as if they're better than others, and brag about their successes, their achievements, or even their misfortunes. They're actually trying to make themselves look/feel special to hide their insecurities. People who're truly confident about themselves won't feel the need to show off.
- Have the *courage to be "normal"*. You don't need to be extraordinary to lead a fulfilling life. Rather than struggle endlessly to outdo others or prove your superiority, use what you already have to grow, contribute, and add value to others.

KEY QUOTES

"The courage to be happy also includes the courage to be disliked."

"All problems are interpersonal relationship problems."

"The pursuit of superiority and the feeling of inferiority are not diseases but stimulants to normal, healthy striving and growth."

"If one really has confidence in oneself, one doesn't feel the need to boast."

"Being normal is not being incapable. One does not need to flaunt one's superiority."

See others as comrades, not enemies/competitors. Many people are unhappy because they see the world through competitive lenses, and treat other people as rivals or enemies.

- In *competitions*, there are always winners and losers. It's hard to celebrate others' successes if you see them as signs of your own "defeat".

- Life is not a zero-sum game where your success must come at the expense of someone else's. When you *see others as comrades*, you can celebrate mutual progress/success, and enjoy the sense of camaraderie and connection. The more you contribute to others, the more value you see in yourself. This sense of purpose and self-worth is what brings you true happiness.

- You can improve yourself without putting others down or asserting your superiority. Instead of comparing or competing against others, compare and *compete against your ideal self*.

- Don't allow yourself to get drawn into a *power struggle*. Imagine you're having a heated political debate with a friend, when he starts to call you "stupid" and "ignorant". When this happens, he's no longer trying to discuss politics, but to get you to submit. If you respond to his taunts, you'll only get drawn into a lose-lose situation.

  - If he "wins" the argument, you'll feel defeated. If he "loses" the argument, he'll feel slighted and seek revenge in the future. Either way, *your relationship is damaged*.

  - When you're facing a potential power struggle, *do not engage*. Choose to communicate through words and logic, not through anger.

- It is also not a weakness to *admit to a fault or a mistake*. Even if you think you're right, don't criticize the other person or say that he's wrong. This only shifts the focus to who's right or wrong to start a power struggle.

The goal of interpersonal relationships is to get a sense of community or belonging. This comes from being of use to others.

- In Adlerian psychology, this sense of community doesn't come from physical presence alone, e.g. being born into a

KEY QUOTES

"Life is not a competition."

"Happiness is the feeling of contribution."

"It's enough to just keep moving in a forward direction, without competing with anyone."

"It's only when we take away the lenses of competition and winning and losing that we can begin to correct and change ourselves."

"A sense of belonging is something that one acquires through one's own efforts—it is not something one is endowed with at birth."

family. You must *actively contribute* to the community by fulfilling your life tasks. Instead of focusing on what others can do for you, focus on what you can do for others.

- The Adlerian definition of "community" is extremely broad. It includes your family, friends, social/professional groups, society at large, humankind, and *everything in the universe*—from the past to the future, from living things to inanimate objects. All of us have multiple communities.

  (i) Even if you're not married and have no job/friends, you're still a part of humanity and have an impact on others. For example, when you buy a meal, the money gets circulated into the economy to affect other people. You also consume resources that impacts the wider community and eco-system.

  (ii) Anyone can have existential value, e.g. a newborn brings joy to her parents just by existing, even if she's not actively "doing" something to contribute.

To get the sense of community, you must **shift from self interest to social interest**, which requires 3 things:

- *Self-acceptance*: Accept yourself as you are, complete with your flaws and imperfections. Only then can you identify what you can do and how you can improve.

  (i) For example, if you're only performing at 50%, acknowledge that fact and ask "How can I get closer to 100%?" What can you do with the skills, strengths, and resources at your disposal?

  (ii) This is better than pretending that you're already at 100%, blaming your poor performance on bad luck, or wishing for things you cannot change.

- *Confidence in others*: Believe in other people's inherent potential and goodwill. Instead of waiting for people to "earn" your trust, show unconditional confidence in their good intent or potential.

  (i) This helps to build deep relationships and encourage people to rise to their potential. For example, if someone deceives you, yet you're willing to believe him unconditionally, he will probably find it hard to deceive you again.

KEY QUOTES

"When it comes down to it, all of us belong to the community of the earth, and the community of the universe."

(ii) However, this doesn't mean that you should naively trust everyone. It only applies to people with whom you wish to build a better or deeper relationship with. If someone repeatedly deceives you, then it's your task to decide whether to cut the ties.

(iii) By contrast, relationships built on doubt and suspicion can never be strong or healthy. No matter what they say/do, you can always interpret it negatively to confirm your suspicions.

- *Contribution to others*: Once you accept yourself and have unconditional confidence in others, you'll naturally see people as comrades and want to contribute to their welfare. In the process, you feel happy because of the innate sense of existential worth, which further reinforces your self-acceptance in a virtuous cycle. You feel assured of your value even if your contributions aren't explicitly seen or recognized by others.

(i) Contribution to others is simply about being of use to others. It does *not* require self-sacrifice, which could be a sign that you're conforming too much to social expectations.

(ii) One of the most common ways to contribute is through work or labor. This can include anything from raising your children to performing acts of kindness for strangers.

To improve your happiness and well-being, build "horizontal relationships" based on equality and respect.

- This is about seeing others as *different but equal*.

(i) Respect individual differences (e.g. gender, race, religion, values, life experiences) without seeing them as superior or inferior to you.

(ii) Recognize different types of contribution, e.g. a working husband contributes income to the family, whereas a stay-home mum cares for the home and kids. Neither is superior to the other.

- This is different from hierarchical or *vertical relationships*, where one party is seen as inherently superior to the other.

KEY QUOTES

"It is through labor that one makes contributions to others and commits to one's community."

"Human beings are all equal, but not the same."

(i) When you criticize or praise someone, it suggests that you're in a superior position to judge whether he/she is doing something right/well.

(ii) When you interfere with someone's task, you're acting from a vertical relationship to assume you know what's good for the other person.

- It is much better to *offer encouragement*, i.e. to give people the courage to take on their life tasks. To do so, you can:

  (i) Offer assistance without direct interference; and/or

  (ii) Convey your gratitude. For example, when you say "Thank you, this was a great help to me" it tells the other person that they've made a valuable contribution without judging how "good" they are.

- In cases where a hierarchy is necessary (e.g. in organizational structures), you can still maintain equality in consciousness. For example, if you know that your boss's instructions are detrimental to a project, you can respectfully assert yourself instead of following orders blindly.

In short, happiness isn't a goal in itself, but a by-product of a life well-lived—a life built on self-actualization and healthy relationships. According to Adler, life has no inherent meaning, and it's up to you to give meaning to life. You can choose to the see world as a terrible place full of enemies, or you can choose to see it as a wondrous place full of comrades.

- It's ok if you don't know what to do yet. So long as you *contribute to others and live each moment to the fullest*, you'll eventually find meaning and happiness in life. Keep asking yourself "What can I do now?" or "What can I do from now on?" Reject all excuses that lead you to avoid your life tasks.

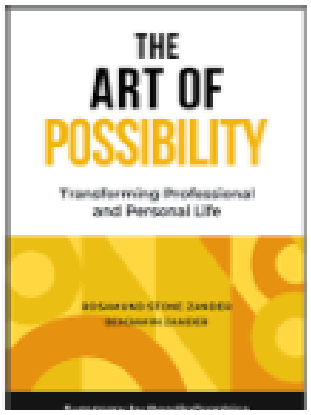
- Just *take the first step* regardless of what others do or don't do. As you change, the world will seem to change too. That's because (i) you will start to see things differently, and (ii) people will start to respond to you differently.

KEY QUOTES

"What is important is to be equal in consciousness, and to assert that which needs to be asserted."

"You can assign meaning to that life. And you are the only one who can assign meaning to your life."

"Do not look at the past, and do not look at the future. One lives each complete moment like a dance...As long as you are dancing, you will get somewhere."



THE ART OF POSSIBILITY

Transforming Professional and Personal Life

ROSAMUND STONE ZANDER & BENJAMIN ZANDER

The Big "So What"

When you're stuck with a seemingly-impossible problem, the best way to get unstuck is to shift your perspective. In this book, the authors combine their knowledge and experience as a conductor and a therapist, to present 12 practices that you can use to see new possibilities and bring them to life. By applying these principles and tools over time, you can transform your results and relationships.

However, to reconstruct how you perceive the world, you must first be willing to challenge your beliefs and assumptions, and to keep applying the practices until the new ways of thinking and behaving become intuitive to you.

KEY QUOTES

"The objective of this book is to provide the reader the means to lift off from that world of struggle and sail into a vast universe of possibility."

"It takes dedication, a leap of faith, and, yes, practicing to get them into your repertoire."

The 12 Possibility Practices

Practice #1: Realize that Everything is Invented

Everything we know is actually filtered through our mental stories. You pick up selective info about the environment via your 5 senses (e.g. your nose picks up a scent). Your brain interprets the info before you have a conscious experience ("I smell oranges!"). By the time you're conscious of something, your brain has already gone through a complex process of info-selection, cue-matching and story-telling.

Our perceptions are always flawed:

- All living creatures are hardwired to "see" the world in a way that helps them survive. A frog's eye "sees" differently from the human eye. It sees the world in terms of moving outlines and sudden changes in light (which helps it to react to insects and predators), but it cannot perceive the beauty of the sunset or appreciate a field of colorful flowers.

"All of life comes to us in narrative form; it's a story we tell."

"The world comes into our consciousness in the form of a map already drawn, a story already told, a hypothesis, a construction of our own making."

Likewise, *human senses are limited*—we don't see/sense *everything*, e.g. we can't see molecular traces like insects do, or pick up scents the way dogs do.

- We also use *mental maps* (theories and beliefs) to make sense of what's going on. We can't recognize things that aren't on our mental map, e.g. you won't recognize the smell of oranges if you've never seen/tasted one, and you won't realize you're affected by gravity if you haven't learned about it.

- Our brains also tend to connect events, people and ideas into *stories* even if there are no direct links (e.g. if we see someone eating a dish with gusto, we conclude that it tastes good).

The first practice is simply to recognize that **everything is invented**, including what we think is a truth or fact.

- *Even science isn't absolute*. Scientific truths evolve as new discoveries are made. Newton helped us to see the world in terms of straight lines and forces, while Einstein helped us to see the world in terms of curves, space/time and relativity. Like gravity, all these phenomena have always existed, yet we couldn't "see" them until we've made the paradigm shifts.

- So, instead of insisting that what you know is the absolute, unchanging truth, realize that it's all invented. A seemingly-insurmountable problem can usually be resolved if you approach it from another angle. Once you recognize the self-imposed *frames and boxes* you've put around yourself, you can start to reinvent them to improve your life.

- *Keep asking yourself these questions*:

  (i) What unconscious assumptions am I making that lead me to see/ believe what I do?

  (ii) What new assumptions can I adopt to give me new options?

KEY QUOTES

"The frames our minds create define—and confine—what we perceive to be possible."

"Each new paradigm gives us the opportunity to "see" phenomena that were before as invisible to us as the colors of the sunset to the frog."

"It's all invented anyway, so we might as well invent a story or a framework of meaning that enhances our quality of life and the life of those around us."

"Every problem, every dilemma, every dead end we find ourselves facing in life, only appears unsolvable inside a particular frame or point of view. Enlarge the box, or create another frame around the data, and problems vanish, while new opportunities appear."

Practice #2: Move from Scarcity to Abundance

We live in a "world of measurement" where everything is evaluated against goals, standards, and comparisons.

- Underlying all human struggles—our fears, doubts and disappointments—is the hidden assumption that we must fight to survive in a world of *scarcity and danger*.

- This leads us to constantly watch for danger, build our reserves, and maintain our defences. We constantly measure where we stand and evaluate things/people by *measuring, comparing and contrasting* them against one another.

What if you were to change this fundamental assumption and step into a world of possibility?

- The key is to differentiate between *scarcity vs scarcity-thinking*. Even if you truly face scarcity and threats to your survival (e.g. you're living in a poor, war-torn area), you're still free to create infinite possibilities using your creativity and resourcefulness. Unfortunately, the reverse is true in most cases—people who're well-do-to are plagued by scarcity-thinking. They *think* the world is out to get them, so they hog resources and keep grabbing more and more to create real scarcity in the process.

- Scarcity-thinking assumes that the pie gets smaller each time you take something. On the other hand, *abundance-thinking* assumes the pie is unlimited and you can add to the pie each time you receive from it. For example, businesses don't have to compete for a finite pool of customers; they can generate infinite new ideas to create new customers. With an abundance-mindset, you're likely to give more, create and add value, thus generate *real* growth and abundance.

Learn to let go of the need to measure and judge everything:

- Ask yourself: How do my current thoughts and actions reflect the world of measurement? Look for signs of competition, comparison, anxiety, or fear of survival/ scarcity.

KEY QUOTES

"It feels safer to deal with reality as though it were fixed, as though people, ideas, and situations can be fully known and measured."

"Free from the generalized assumption of scarcity, a person stands in the great space of possibility in a posture of openness, with an unfettered imagination for what can be."

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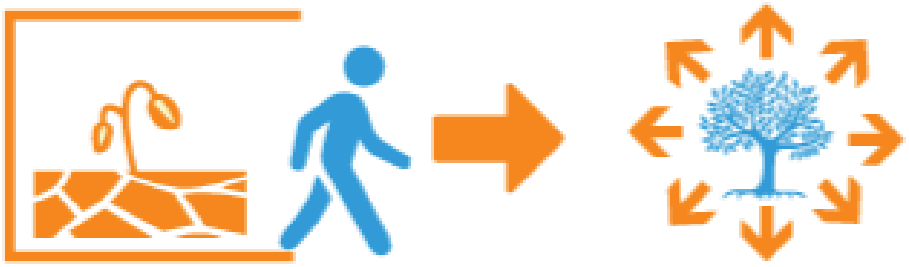
- Reframe your thoughts and ask the same question over and over, until you realize how ridiculous it is to keep measuring and judging everything. Make a decision to let go and step into a new world of possibilities.



Practice #3: Gift an A

We tend to grade people (literally or mentally) and use that grade to define their abilities/potential. In reality, grades often don't mean much; a C-grader in a top school could actually be doing much better than an A-grader in another school. Just like how a carver recognizes the potential of an uncut stone, the role of any leader—be it a teacher, manager or parent—is to bring out the potential of the person in front of you.

- In Ben's class on musical performance, he told every student from the onset that he'd give them an "A" for the course. The only condition was, they had to write a letter (dated 1 year later) to describe in detail what they'd done over the year to get the grade. As the students described their milestones, achievements and feelings, they got a *vision* of the A students they could be, while Ben felt motivated to groom a class of A students.

- When the students made a *mistake*, Ben encouraged them to exclaim, "How fascinating!", then take a closer look to see what could be learned from the experience.

Obviously, grades and actual performance are important. The crux of this practice is to realize that all standards (be it grades or ranking) are man-made. We can choose to use standards to create possibilities instead of label/judge people.

- Treat standards as a *common goal* to work toward (between a student and teacher, or a manager and staff), rather than an assessment of someone's ability.

- The fastest way to "change" someone is to *change your own perception*. Every human being has an innate desire to

KEY QUOTES

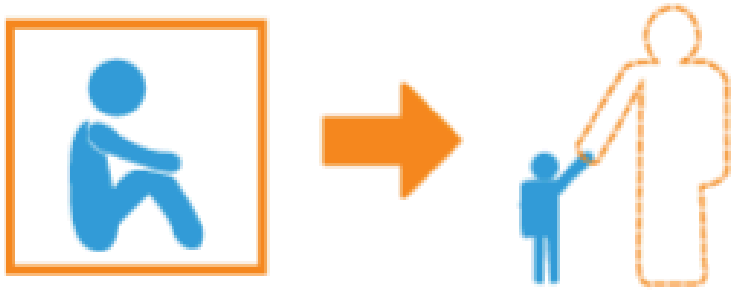
"In the measurement world, you set a goal and strive for it. In the universe of possibility, you set the context and let life unfold."

"This A is not an expectation to live up to, but a possibility to live into."

contribute and make a difference. When people believe they're A Graders are more likely work hard and persevere to deliver results. When you give someone an "A", you're more likely to notice their positive qualities and accept their inputs, thus creating a partnership that delivers real results.

- Likewise, when you *give yourself an "A"*, you're accepting yourself as you are, and not because you've achieved certain outcomes or standards.

- In short, when you *give an "A" to people as a gift* (not as a gauge of what they've done or who they are), you open up a new world of possibilities for yourself and others.



Practice #4: Be a Contribution

Most of us are constantly judging everything we do. We try to achieve "success" and avoid "failure", only to feel **stressed and dissatisfied** as no amount of achievement seems to be enough. Why should a positive contribution be labelled as a success or failure based on an invented target or standard?

Try thinking of your life as a **series of games** instead. You're free to choose which games to play, and you're free to move on to a new game any time.

To transform your struggles into fulfilling experiences, **redefine yourself as a contribution**, i.e. someone who makes a difference.

- Ask yourself: "*How can I be a contribution today?*". Just focus on making a difference, without worrying about how much you've achieved or whether you're good enough.

- Try writing down everything you've done in the past week that contributed to someone (e.g. helping a blind man to cross the road, running an errand for your parents). Imagine how each contribution may have created further ripple effects.

KEY QUOTES

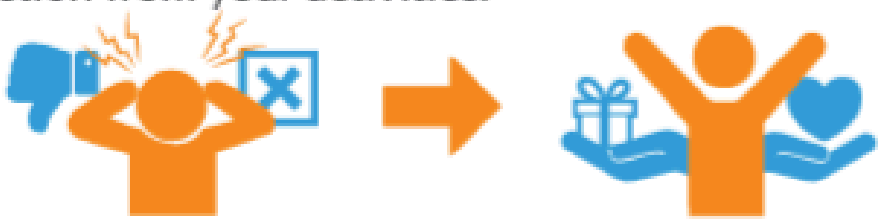
"The practice of giving the A allows the teacher to line up with her students in their efforts to produce the outcome, rather than lining up with the standards against these students."

"The freely granted A expresses a vision of partnership, teamwork, and relationship."

"The drive to be successful and the fear of failure are, like the head and tail of a coin, inseparably linked."

"In the game of contribution you wake up each day and bask in the notion that you are a gift to others."

In the next week, take note of every contribution you make without judging how much or little it is. By *shifting your focus* away from your own problems to the positive contribution you're making, you reduce your anxiety and increase the satisfaction from your activities.



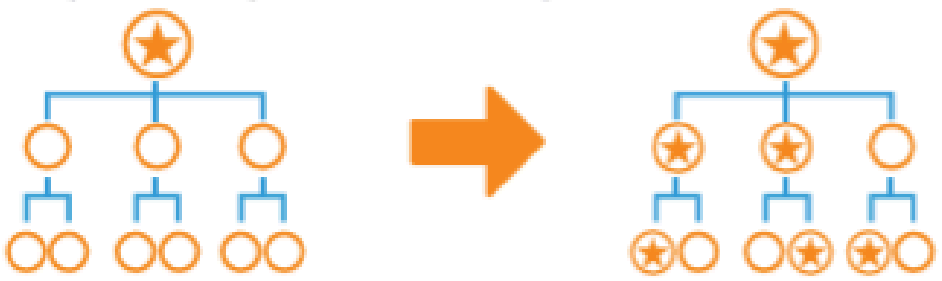
Practice #5: Lead from Any Position

In most orchestras, the conductor dictates how the music should be interpreted, and the players have little/no room to influence the direction of the music.

- Ben believes that a great conductor should coax the best possible music from his orchestra, even if the music is interpreted differently from conductor's original idea. To empower every musician to play as beautifully as possible, he asked them to write down how he could enable them to play better. As the players suggest alternative ways to conduct and interpret the music, the orchestra's music was elevated to a new level.

- In 1999, the Youth Philharmonic Orchestra from USA and the National Youth Orchestra of Cuba did a combined performance. Each conductor was struggling to coach the other orchestra on their chosen music piece. They finally overcame the challenge by having each player guide his/her counterpart instead of using a top-down approach.

In a large group, there'll always be people who can offer talents and insights if they're given the chance to do so. This practice is about *finding and unlocking the hidden passion and commitment* that exists in every person. When you see a listless, dispirited team member, you can assume the person is unmotivated, or you can take it upon yourself to find out what it'll take to bring out the spark and passion in that person.



KEY QUOTES

"In the music business, as in all walks of life, a leader who feels he is superior is likely to suppress the voices of the very people on whom he must rely to deliver his vision alive and kicking."

"A conductor's true power derives from his ability to make other people powerful."

"A monumental question for leaders in any organization to consider is: How much greatness are we willing to grant people?"

"A leader does not need a podium; she can be sitting quietly on the edge of any chair, listening passionately and with commitment, fully prepared to take up the baton…the leader may be any one of us."

Practice #6: Lighten Up

All of us have a "calculating self" that's constantly on the lookout for perceived threats, trying to prove ourselves and ensure we don't lose out in a world of scarcity.

- When we feel threatened, we instinctively try to assert control or defend ourselves. We lash out and make demands, only to start a *downward spiral* that locks us in conflict, competition or impasse.

- Humor and laughter help us to *stop taking ourselves too seriously*. When we loosen up, others also relax and the negative spiral is broken. During a long, exhausting music practice, Ben instructed the players to stop making mistakes. Sensing the immediate tension in the room, he quickly added, "If you make a mistake...a five-hundred-pound cow will fall on your head." Everyone laughed, lightened up and played better after that.

- In the end, our own fears, views and positions are the real obstacles that stand in the way of a rewarding experience. Ask yourself: "*What would have to change for me to be completely fulfilled?*" When you let go of your self-imposed expectations and rules, the things that previously bothered you may suddenly disappear. For example, you may have become defensive because you felt judged by your spouse. Once you relax and focus on other aspects of the relationship, things may improve naturally.

When you lighten up, your calculative self weakens its hold to allow your "central self" to shine through. This is your authentic self that's creative, whole and abundant.

- Your central self recognizes how your own pride and indignation can get in the way of your desired outcomes. Once you realize the source of your fears and concerns, you can explore new ways to address them.

- Two business partners were stuck in a stalemate over their contract. They had complementary strengths needed for the business, but were too entrenched in their own positions to

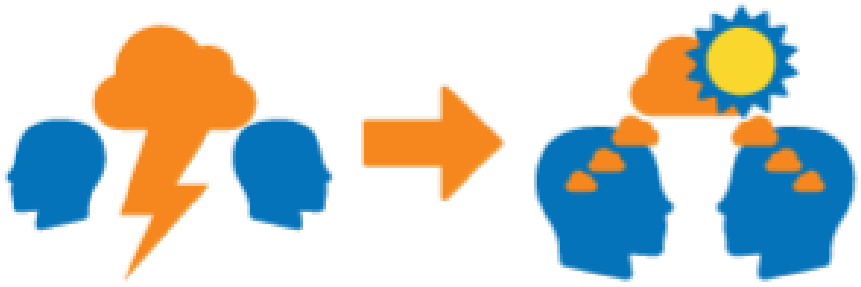
KEY QUOTES

"When...we coax this calculating self to lighten up...we break its hold on us."

"Human beings are social animals; we move in a dance with each other, we are all fundamentally immeasurable, we all belong."

"When one person peels away layers of opinion, entitlement, pride, and inflated self-description, others instantly feel the connection."

consider alternatives. Roz managed to draw out a few common truths, e.g. one of the partners had failed to deliver on his promise while the other had been overly rigid with the contractual terms. Once their central selves could see how their calculative selves were getting in the way of a mutually-beneficial contract, it opened up the way for a proper dialogue to address each other's concerns.



Practice #7: See the Way Things Are

Have you ever felt resigned that there's nothing you can do because "that's just the way things are"?

- This practice is about becoming present to (i) what's truly happening and (ii) your own reactions to them, so you *get clear on your circumstances* and what you can do to move toward your desired outcomes.

- Imagine you arrive at the airport full of anticipation for your long-awaited ski vacation, only to find that the flight has been delayed indefinitely due to a snowstorm. You can rant and rave about how unfair it is (which will change nothing). Or, you can acknowledge your disappointment with the delay and uncertainty, then *shift your attention* to what you can do, e.g. use the time to rest, enjoy a nice meal, or research alternative travel options.

Don't resist what is. Instead, gather the facts of the situation so you can decide what to do with it. This requires that you learn to discern between facts, feelings and assumptions.

- *Listen for "shoulds"*. When you feel frustrated because things are not how they *should* be, it's a clear sign of resistance.

- *Resist blame/denial*. When you're experiencing something unpleasant, don't deny your feelings, run away from the problem, or blame others. If you do so, you'll just be stuck with the very things you don't want.

KEY QUOTES

"The capacity to be present to everything that is happening, without resistance, creates possibility."

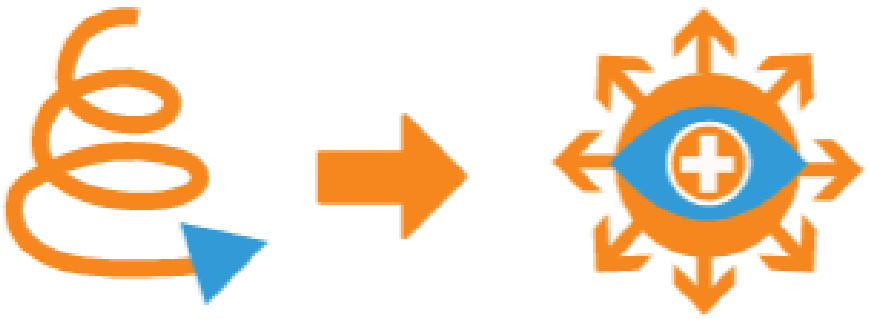
"The more attention you shine on a particular subject, the more evidence of it will grow."

- Realize that *nothing is purely good or bad*, e.g. the flight delay may shorten your trip but lead you to your future spouse.

Shift from downward spirals to possibility talk.

- Avoid *downward spiral talk*, i.e. speaking as if things are doomed to get worse. What we focus on grows—the more you focus on scarcity and problems, the more you'll notice them. When you make statements like "the barrier between my husband and I is getting worse", your brain will pick out evidence that supports the statement, and things will indeed seem to get worse. Instead, stop and refocus on the facts of what happened or what is happening, e.g. "We used to tell each other about our day. Nowadays I don't ask about his day and he doesn't volunteer information." Or "I feel irritated when my husband doesn't look at me when I talk to him."

- Once you can see things as they are, including your own biases, fears and imagined reality, you can *expand your viewpoint* and explore possibilities built on facts and reality. Martin Lurther King Jr's "I have a dream" speech is an example of how you can *speak in possibility* grounded in real-world truths.



Practice #8: Flow with Passion

We tend to see the objects/people around us as separate entitles, which creates **artificial barriers**. In reality, energy flows all around us and through us; it moves freely and isn't limited to rigid forms or lines.

This practice is about **giving in fully** to the creative energy waiting to be expressed through you.

- If a musician or presenter is obsessed with the way he stands, how he looks and whether each word/note is technically perfect, he'll deliver a stiff performance. On the other hand,

KEY QUOTES

"Abstractions that we unwittingly treat as physical reality tend to block us from seeing the way things are, and therefore reduce our power to accomplish what we say we want."

"Speaking in possibility springs from the appreciation that what we say creates a reality; how we define things sets a framework for life to unfold."

"Life takes on shape and meaning when a person is able to transcend the barriers of personal survival and become a unique conduit for its vital energy."

someone who's prepared to lose himself in the passion of the moment is much more likely to capture the audience's imagination.

- Become aware of the imaginary boundaries that hold you back (e.g. your public image, fear of disapproval). Allow those lines to be blurred and flow with your inner passions and vitality.

Practice #9: Ignite the Spark

It's untrue that you can only persuade others through manipulation or some form of exchange. In a world of possibility, persuasion can be as simple as giving people an "A" and being prepared to ask, give and receive freely. This practice is about enrolling people by igniting their imagination and bringing out their passion.

- Start by believing that others are ready to be enrolled by you, while being open to be inspired by them. Then, make your requests/offers with the conviction that they'll catch the spark.

- Roz needed 2 quarters to fill her flat tyre, but she only had a $10 bill and no one nearby had enough change for $10. In a flash of inspiration, she asked if one of them could *give* her 2 quarters instead. She got the 2 quarters she needed and the stranger who gave it to her felt good about making a difference.

- Ben was trying to get a sponsorship from Arthur Anderson for the Philharmonia Orchestra of London. Arthur Anderson, on the other hand, wanted to make a positive impact with Eastlea School (a "failing" school in a bleak part of London). Both sides were infected by each other's passion and came up with the idea of introducing the Eastlea students to classical music. Despite scepticism that the Eastenders wouldn't appreciate such music, the program turned out to

KEY QUOTES

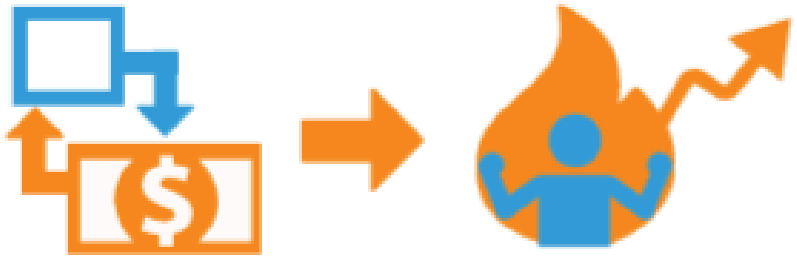
"Release those barriers of self that keep you separate and in control, and let the vital energy of passion surge through you, connecting you to all beyond."

"Enrolling is not about forcing, cajoling, tricking, bargaining, pressuring, or guilt-tripping someone into doing something your way. Enrollment is the art and practice of generating a spark of possibility for others to share."

"The life force for humankind is, perhaps, nothing more or less than the passionate energy to connect, express, and communicate."

be a huge success—the students were inspired and uplifted by the music, and the public saw an attentive, insightful side of the students they hadn't expected.

Passion is a great cure for fear and doubt. Appeal to passion and abundance (not fear and scarcity) as a source of motivation.



Practice #10: Be the Chessboard

When people act differently from our expectations or break certain "rules", we're quick to blame them for disrupting our sense of order and control, without considering our own roles in the situation. This practice is about shifting an external problem into yourself to see things from a fresh perspective.

- In chess, we typically think of how to move the pieces according to our strategy. When you think of yourself as the chessboard, you'll simply accommodate all possible moves instead of trying to control them. This gives you *freedom*, not because you can control the conditions, but because you can *choose* how you experience those conditions and respond to them.

- Let's imagine you're crossing the road when you're injured by a car that didn't stop in time. Legally, the driver is at fault since you started crossing after the lights turned green. However, instead of blaming the driver or fate, you can acknowledge your own role in the event. Just by being on the road, you created the context for the accident. You may also have been looking at your phone or assumed it was safe to cross without checking for oncoming vehicles. This does not mean that you're to blame or that you shouldn't seek recompense from the driver. Being the board simply helps you to see things more objectively so you can take enlightened actions.

KEY QUOTES

"Passion, rather than fear, is the igniting force."

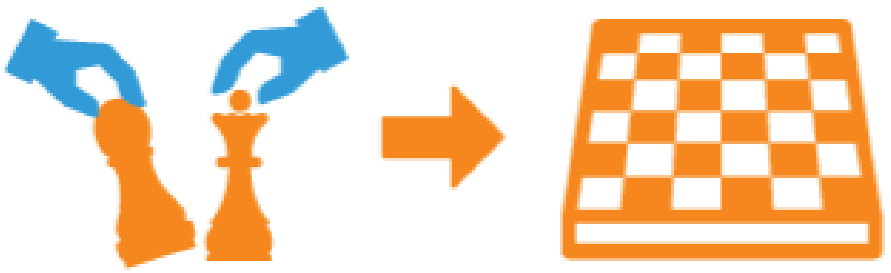
"When you are being the board, you present no obstacles to others. You name yourself as the instrument to make all your relationships into effective partnerships."

"Grace comes from owning the risks we take in a world by and large immune to our control."

Fundamentally, this practice is not about exerting control; it's about making a positive difference.

- When you shift your attention away from blame and what things *should* be, you free yourself to explore new possibilities. Define yourself as the board, examine how a situation landed on your board, and focus on how to make a difference.

- For example, you may be upset that you can't get your boss to listen to your suggestions. Instead of blaming him (for being arrogant or a poor listener) or blaming yourself (for being useless and unpersuasive), step back to consider how you may have contributed to his unwillingness to listen. Then evaluate what you can do to move things forward.



Practice #11: Create Possibility Frameworks

Leaders play a critical role in shifting people's focus away from scarcity/downward spirals, and toward possibilities/abundance instead. This practice is about generating options by restructuring meaning, developing visions and creating environments that support possibilities.

Define an alternative that can stop an existing downward spiral, then embody the vision to give new meaning to an existing action/event.

- When someone does something "wrong", our instinctive response is to punish the person, which only starts a downward spiral. A better approach is to ask: "How else can I approach the situation to *inspire desired behaviors through possibility?*"

- A leukaemia patient became the laughing stock of her class after she shaved her head due to chemotherapy. The teacher didn't defend the girl or reprimand her classmates.

KEY QUOTES

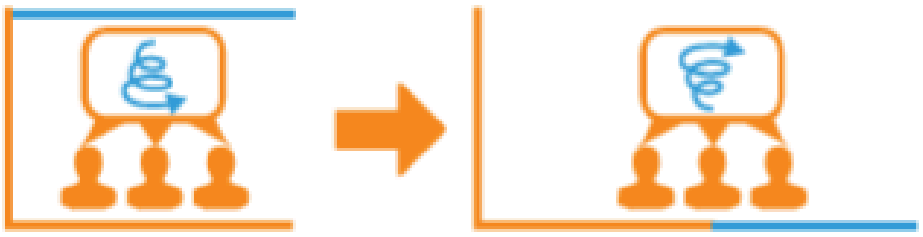
"Once you do transform your experience and see things differently, other changes occur."

She simply came to school one day sporting a shaved head. Soon, the kids in school were cutting their hair or shaving their heads as a fashion statement. By shaving her head, the teacher had *reframed* what it meant to look different and catalysed new behaviors.

When you articulate a strong vision, you're painting a common future that people can relate to.

- A great vision (e.g. "world peace", "bringing joy to everyday living"), is timeless and doesn't require benchmarks or a "right" way of doing things. It removes barriers and creates a new realm of possibility for everyone.

- You can still set goals when pursuing vision-led objectives. However, missing a goal won't kill your vision. Just declare "how fascinating!" and keep moving forward.



Practice #12: Focus on WE

An "us-vs-them" mentality promotes conflict because it assumes the differences (between religions, ideologies etc.) are irreconcilable. In such cases, "we" is defined as "You + I". The parties are seen as separate entities with different and unchanging desires, so if one party wins the other party must lose. Both sides end up fighting fiercely to protect their rights, positions and viewpoints.

The WE practice is about (i) identifying what connects people, (ii) listening/looking out for what emerges and (iii) jointly defining what WE want and the best thing to do for US. Start by defining every human as someone who desires to contribute and connect with others—this focuses your attention on what connects people rather than what separates them.

- Assume that WE are 1 entity, and there *can* be a direction where WE can move together to jointly define and achieve new goals.

KEY QUOTES

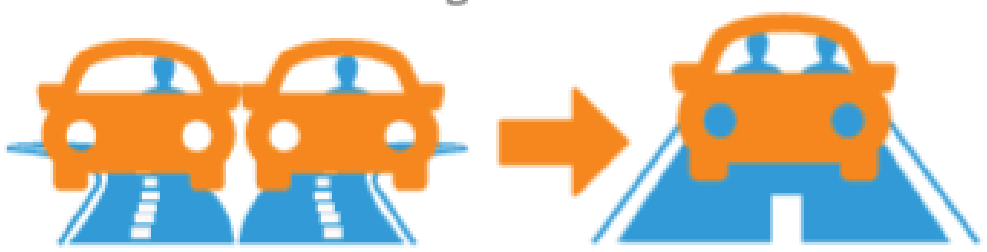
"A vision is a long line of possibility radiating outward. It invites infinite expression, development, and proliferation within its definitional framework."

"In the pursuit of objectives under a vision, playing is relevant to the manifestation of the possibility, winning is not."

- For example, instead of saying "If you don't give me a pay raise, I'll quit", you could take a WE approach: "We both seem to agree that I've been delivering good work. Unfortunately, the salary isn't enough to support my present commitments. What do WE want to see happen, and how can WE make it work?"

Separate your central selves from your calculating selves. Make your pride, greed, revenge, fear or sense of righteousness as the common enemy instead of each other. You can acknowledge, "OK, that was my Pride speaking" then focus on how to tackle the villain Pride together, instead of attacking each other.

- At the end of apartheid in South Africa, Mandela's government instituted the Truth and Reconciliation Commission (TRC). The TRC didn't dish out justice to people involved in the violence, but offered amnesty to those who'd share the truth. As the perpetrators shared their stories and the atrocities they committed, people saw their pain and how they broke down in tears. Instead of focusing on blame, revenge and justice, the TRC helped people to realize there wasn't a definitive line between "victim" and "perpetrator". It helped people to understand their past so they could heal and build a new future together.



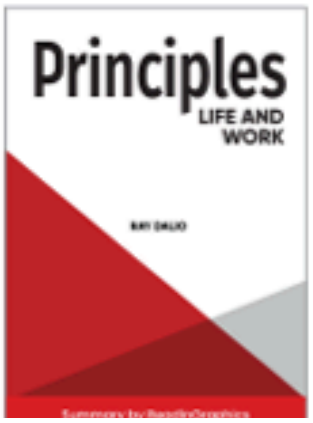
Other Details in the Book to Look out For

This is not intended as a guidebook with answers for specific real-world problems. Instead, the 12 practices in the book (along with the various stories, letters and reflections) equip you with alternative perspectives and approaches to face *any* challenge in life, and design the stage upon which you'd express yourself and discover life's unlimited possibilities.

KEY QUOTES

"The WE appears when, for the moment, we set aside the story of fear, competition, and struggle, and tell its story."

"The issues themselves are rarely what they seem, no matter what pains are taken to verify the scoreboard."



PRINCIPLES

Life and Work

RAY DALIO

The Big "So What"

Successful people are guided by principles, i.e. fundamental truths that guide their actions to help them achieve what they want in life. In this book, billionaire Ray Dalio shares the Principles that have helped him to succeed in work and life, in hope of helping you to uncover and apply *your* principles.

Introduction

After his early career success as an investment trader and broker, Dalio started his own brokerage firm, Bridgewater, in 1975. His achievements led him to become overconfident of his ability to predict the financial market. After suffering several major setbacks—including losing everything in the 1980s' market crash—he humbled himself, learned from his failures, and consistently documented and tested his decision-making criteria to gain powerful insights about work and life.

Dalio stopped running Bridgewater top-down as the sole expert and authority, and shifted to an idea meritocracy where the wisdom of every person in the organization can be harnessed. He sought to deepen/widen his perspectives, understand how humans think and behave, and how to leverage strengths toward specific goals. He also relentlessly refined his approach to investments (which will be elaborated in another book on investment principles).

The book is organized into 3 sections: (i) a detailed account of Dalio's personal journey and a breakdown of his (ii) Life Principles and (iii) Work Principles. In this summary, we'll present the Principles in 2 parts.

KEY QUOTES

"To be principled means to consistently operate with principles that can be clearly explained."

"The most important thing you can do is to gather the lessons these failures provide and gain humility and radical open-mindedness in order to increase your chances of success."

Part 1: Life Principles

The overarching principle in life is to think for yourself: decide (i) what you want, (ii) what's the truth, and (iii) how to achieve (i) based on (ii). Get clear on your principles and write them down so you can live with clarity and integrity.

1. Embrace Reality

Be a "Hyperrealist". Embrace *all* aspects of reality—both the good and bad. Dream big, but choose your goals wisely and take persistent action to realize them.

Learn from Nature. Mankind didn't invent the laws of nature; we merely learned them. Nature operates at a systemic level, balancing self-preservation with complex incentives and relationships so everything can coexist. To thrive, (i) align yourself with the group's goals, (ii) optimize for the whole (not yourself), and (iii) evolve through rapid trial and error.

- *Don't insist on how things "should" be*. Things that seem "bad" at a personal level always looks different from a higher perspective. Generally, something is "good" if it's aligned with reality and contributes to evolution as a whole. The more you support the larger good, the more you'll be rewarded.

- *Evolve or perish*. Everything evolves. Energy is transformed from one form to another, and all living things are merely DNA vessels in the evolutionary process. *Nothing* stays constant—you're either moving up or down the evolutionary curve.

- *Strength is built by pushing one's limits*. No pain, no gain.

To find new insights and solutions, see things from a higher plane.

- You're a machine within a larger machine. Think like the machine's *manager/designer*, not just a worker.

KEY QUOTES

"The principles you choose can be anything you want them to be as long as they are authentic—i.e., as long as they reflect your true character and values."

"There is nothing more important than understanding how reality works and how to deal with it."

"Don't worry about whether you like your situation or not. Life doesn't give a damn about what you like."

"Perfection doesn't exist; it is a goal that fuels a never-ending process of adaptation."

- *Don't deny your weaknesses*. Accept them and (i) convert them to strengths, (ii) work around them, or (iii) change your goals.

- Don't focus on first-order consequences or immediate outcomes (e.g. the pain and fatigue from exercise). Consider *second-order and third-order consequences* (e.g. better health /appearance) which are more significant.

Pain + Reflection = Progress. Reflect calmly during/after a painful experience to push through to a higher level. When you embrace who you are (including your weaknesses), you'll feel freer and happier.

2. Use this 5-Step Process to get what you want from life

Focus on 1 step at a time, then repeat the process in a loop. No one is equally good at all 5 steps—identify where you normally stumble, then find people/solutions to address your weaknesses. Be humble and build good mental maps to learn/improve.

Synthesize (steps 1-3) so you know what's happening and where you're headed.

Shape outcomes (steps 4-5) by designing and implementing solutions.

Set clear, audacious goals. You can't do/have everything. Choose your priorities (based on your values) and reject the rest. Don't confuse trappings of success (e.g. money, status) with what gives you true, long-term happiness. Set audacious goals that'll push you to achieve your potential.

Don't tolerate problems. Acknowledge them and treat them as opportunities for improvement. Be precise in identifying the problem, so you can apply the right solution. Focus on issues that'll create the biggest impact.

Diagnose the root causes. *Proximate* causes usually involve actions/inactions behind a problem, and are expressed as a verb (e.g. My conclusion was wrong because I didn't do properresearch). *Root causes*, if resolved, will remove the

KEY QUOTES

"If you can be open with your weaknesses it will make you freer and will help you deal with them better."

"Maturity is the ability to reject good alternatives in order to pursue even better ones."

"View painful problems as potential improvements that are screaming at you."

problem. They usually involve adjectives (e.g. I didn't do proper research because I was lazy). It requires that you to face up to unpleasant realities about yourself/others.

Design a plan before you act. *Review* what happened to bring you to where you are now, then look ahead to forecast what's required to reach your goals. *See the big picture* and interlinkages—you just need 1 out of many possible paths to your goal. Plan broadly, then zoom in on specific tasks, timelines, issues etc. *Put the plan on paper* so everyone knows what to do and how to measure progress.

Execute to completion. Constantly check that your goals and tasks are aligned, i.e. you're on-track. Develop good work habits and use metrics to track your progress.

3. Be Radically Open-Minded

The subconscious, primal part of our brain (amygdala) is constantly fighting with the conscious, rational part of our brain (pre-frontal cortex). Our *ego* leads us to reject our mistakes and weaknesses. We also tend to react defensively when others point out our *blind* spots. When your emotions hijack your logic, you act irrationally. Be radically open-minded and overcome your ego and blind spots:

- *Be open to opposing views*. Invite others to tell you if you're wrong. Temporarily suspend your judgement to see others' perspectives. Realize that you don't know everything, and it's better to know the truth than *appear* to be right or smart.

- Seek to find the *best possible answer*, not just *your* best answer. Gather all relevant info, *then* decide. Learn before trying to espouse your views.

- Watch for signs of *closed-mindedness vs open-mindedness*:

Signs of close-mindedness	Signs of open-mindedness
Get angry when challenged	Curious about reasons for disagreement
Make statements	Ask genuine questions
Focus on being understood	Focus on understanding others' views
Stop others from talking	Encourage others to share their views
Hold only 1 view at a time	Can consider ≥2 conflicting ideas

Use these practices to develop radical open-mindedness:

KEY QUOTES

"Designing precedes doing."

"Lose sight of the why and you will surely lose sight of your goals."

"To be effective you must not let your need to be right be more important than your need to find out what's true."

"Everyone makes mistakes. The main difference is that successful people learn from them and unsuccessful people don't."

- Use *thoughtful disagreement* to figure out the truth. Express your desire to understand the situation and invite the other party to do the same. Be calm and reasonable, focus on facts and the big picture, and show that you're actively considering others' views.

- *Triangulate with smart, believable people*. Someone is believable if he/she has a proven track record of ≥3 successes in an area and can explain how it was achieved. To educate yourself on a topic, interview several experts or get them to have a thoughtful disagreement.

- Mental pain is a sign that you're attached to an idea. Use meditation to calm yourself down and do *quiet reflection*.

- Check if your decisions are supported by *robust facts*.

4. Understand how people are wired differently

We think and see the world differently because our brains are wired differently. To manage people, you must first understand them.

- *All attributes can help and harm you*, e.g. a goals-oriented person may be so driven that he fails to savor the present.

- *Our brains can be trained* for better performance. Each time you do/learn something, you create or strengthen certain neural connections to shape your brain.

Learn to manage your brain and internal conflicts:

- Connect your *conscious and subconscious minds*. Relax, "catch" your subconscious impulses (e.g. fear, defensiveness) as they surface and consciously choose to act logically.

- Reflect on the causes for your uncontrolled emotional outbursts to reconcile your *feelings vs rational thought*.

- *Choose and develop good habits*.

- Tap on the strengths of both the *left-brain and right-brain*. The former is stronger in linear analysis (e.g. facts, planning) while the latter is stronger in lateral thinking (e.g. creativity, stories).

KEY QUOTES

"Smart people who can thoughtfully disagree are the greatest teachers."

"People who don't learn radical open-mindedness don't experience the metamorphosis that allows them to do much better."

"It doesn't matter what you do with your life, as long as you are doing what is consistent with your nature and your aspirations."

Use psychometric assessments to get a more accurate, complete picture of people. Bridgewater uses 4 key tools to identify introversion vs extroversion, intuiting vs sensing, thinking vs feeling, planning vs perceiving, task-focus vs goal-focus, and ideal roles for various archetypes. Experiment to find your own blend of tools.

Knowing how you/others are wired helps you to put the right people in the right roles to support your goals. Dalio believed that his ideal successor should be a "Shaper", an archetype that's visionary, practical *and* determined, thus effective in various roles from visualization to actualization.

5. Learn to make decisions effectively

Learn "what is" before deciding "what to do". To make good decisions, you must have facts/knowledge about the situation, visualize possible paths forward, *then* choose the best path.

- *Synthesize the current situation*: learn from believable and informed people, and differentiate fact from opinion.
- *Synthesize the situation over time*: plot data points over time to see a more complete picture.

  (i) Consider the rates of change, the levels involved, and the relationships between them, e.g. a change from 21% to 25% is an "improvement", but still way below 100%.

  (ii) Don't be a perfectionist. You can usually make good decisions with just 5-10 key factors. It's also faster to use approximations to discover what's true *by-and-large*, e.g. to estimate 40x10 instead of calculating 39x11. Focus on 20% of causes/effort that generate 80% of value.

- *Navigate levels of reality effectively*, like how you zoom in/out of Google Maps to see the path to your destination. Connect the sub-points to the main points and map out decisions at various levels to ensure they're consistent.

Use these practices & principles to make good decisions:

- Use *logic & evidence*, not emotions or animal instincts.
- Calculate the *expected value* of each option by assessing the probability vs reward if you're right vs wrong. Try to raise your probability of being right to raise the potential value.

KEY QUOTES

"Organizing people to complement their strengths and compensate for their weaknesses is like conducting an orchestra."

"Learning must come before deciding."

"Listening to uninformed people is worse than having no answers at all."

"To see how the dots connect through time you must collect, analyze, and sort different types of information, which isn't easy."

"Reality exists at different levels and each of them gives you different but valuable perspectives."

"Anything is possible. It's the probabilities that matter."

- Sometimes, it's better to wait. Weigh the cost of *not deciding vs gathering more info*.

- *Use principles* to simplify and improve your decisions. Slow down and take note of your decision-making criteria → Write down the criteria as a principle → Test the principle in similar situations → Translate principles into algorithms (so you can use computers to test scenarios and check your decisions).

Part 2: Work Principles

Any organization is a machine made of 2 parts—culture and people—that influence each other. Great organizations have *great people* (with character and capabilities) and a *great culture* (where problems and disagreements are surfaced/resolved and new solutions are created). Ideally, align your work with your passions, and to do it with people you want to build a future with.

As an organization grows from 5 to 500, it faces drastically different issues. Apply the 5-Step Process at an organizational level to refine your machine. **In this section, we'll address principles to (i) get the culture right (Principles 1-6), (ii) get the people right (Principles 7-9) and (iii) build/evolve your machine (Principles 10-16).**

1. Adopt Radical Truth & Radical Transparency

In an idea meritocracy, everyone has a responsibility to ask questions and speak up to uncover the truth and best path.

- *Radical truth* is about putting forth your thoughts/questions honestly without filtration. *Radical transparency* is about giving most people the ability to see almost everything.

- *There's more to fear from untruths than truths*. Build a culture where everyone will ask "is it true?" and voice their opinions honestly. Discuss issues openly until you're fully in sync. Never condone deceit nor complain about people behind their backs.

KEY QUOTES

"In order to have the best life possible, you have to: (1) know what the best decisions are and 2) have the courage to make them."

"For any group or organization to function well, its work principles must be aligned with its members' life principles."

"In order to be great, one can't compromise the uncompromisable."

"The more people can see what is happening—the good, the bad, and the ugly—the more effective they are at deciding the appropriate ways of handling things."

Radical truth and transparency require people to face and share the harsh truths while managing huge amounts of info. But if done right, it delivers **trust, learning and better decisions**.

- *It minimizes speculation, politics and bad behavior*. Bridge water records its meetings so everyone can understand how decisions are made. People are more responsible when they know everyone can see what they say/do.

- *Transparency comes with responsibility*. Exclude, penalize or fire people who mismanage or misuse the system.

- *Radical transparency ≠ total transparency*. You can make rare exceptions, e.g. exclude private info that doesn't impact the community, or info that can hurt the organization's long-term interests.

2. Nurture Meaningful Work + Meaningful Relationships

Meaningful work and meaningful relationships reinforce each other. When people trust and care for each other, enjoy being together, and push each other to excel, they thrive as a community and weed out bad people who mean harm to the organization.

Establish clear, non-negotiable values/standards. Give more consideration to others than you demand from them. Respect others' ways of doing things so long as they're consistent with the principles and mission. Focus more on others' merits, not your own.

Meaningful work is not just about money, but you must still pay for work. Define the quid pro quo clearly, with some give-and-take (e.g. pay variances to match work quality/hours). However, people are not *entitled* to your generosity, nor are you *obliged* to be equally generous to everyone.

Build loyalty to the organization/mission, not to individuals. Watch out for people who put self-interest over organizational interest.

3. Make it a cultural norm to learn from mistakes

Build a culture where it's normal to lay out, analyze and learn from mistakes, and unacceptable *not* to do so. Focus on

KEY QUOTES

"The higher the percentage of people who really care about the organization, the fewer the number of bad people there are."

"For most people, being part of a great community on a shared mission is even more rewarding than money."

"Create a culture in which it is okay to make mistakes and unacceptable not to learn from them."

your evolution. Don't penalize mistakes, but instead use failures as feedback to refine your approach until you succeed. Help capable people to reflect/learn from mistakes; remove incapable people and those who won't embrace mistakes.

Focus on achieving your goal and outcomes, not on looking good. Emphasize accuracy and results, not credit or blame. Document your mistakes, connect the dots and find patterns to uncover underlying weaknesses. Tackle 1 top weakness at a time.

Teach everyone to use pain as a signal for reflection: calm themselves, do self-reflection, and overcome biases and blind spots through honest feedback and open-mindedness.

While it's good to learn from mistakes, be explicit on unacceptable mistakes that're too costly. Build measures to prevent them.

4. Get People in Sync

Conflict can bring people closer by surfacing and resolving differences. Get people to list down the areas ofdisagreement and tackle them in order of priority (starting from those that involve values or decision-making processes).

Use thoughtful disagreement to resolve conflict and uncover the truth. To do this, people must be open-minded and assertive, i.e. express their views clearly, see others' view-points, learn and adapt. If you're misunderstood, assume you have been unclear. Give decision-making authority only to open-minded people.

If you're responsible for a meeting, run it well:

- *Set the context* (e.g. who's in charge, objectives). Pick participants who can add value to the decision (not those who think like you).
- *Direct the meeting* to achieve the goals: balance different views, navigate across levels, ask "is it true?", and use the 2-minute rule to manage disruption (i.e. let each person speak for 2 min without interruption).
- *Complete* each topic before moving on to the next. Conclude by stating the agreement and who to follow-up on what by when.

KEY QUOTES

"Every mistake that you make and learn from will save you from thousands of similar mistakes in the future."

"What you learn about each other will either draw you together or drive you apart."

"Their bad behavior doesn't justify yours."

"Conversations that fail to reach completion are a waste of time."

- *Leverage communication* to share the outcome with large numbers of people (e.g. record your meetings, use FAQ boards).

Typically, groups are less effective when they're too large; small groups of 3-5 are the most synergistic. Prioritize your relationships based on value-alignment.

5. Use Believability-Weighted Decision-Making

In an idea meritocracy, you must be able to evaluate each idea's merit. Believable opinions are more likely to yield good outcomes. Be a student, teacher, or peer (ask questions, teach, or debate) depending on the other party's believability relative to yours.

Pay attention to the data and reasoning behind conclusion.

- Weigh an idea based its *probability of being right*. An experienced person who can't explain the reason for his opinion can be less believable than an inexperienced person with a sound, testable theory.
- Approach only relevant, believable people for insights and create your system to *calculate people's believability*. Bridgewater uses Baseball Cards (with adjectives and scores to describe what people are like) and the Dot Collector app (which tracks people's past successes).

Use your limited time to manage differences efficiently. Dalio recommends picking just 3 believable people for inputs. When you want the *best answers*, involve the most relevant people (e.g. your managers, direct reports and/or agreed experts), but when you want to *educate* or *unite*, involve a wider range of people regardless of their believability. If something is important, invest the time/effort to get in sync; otherwise just let it go.

Believability-weighting is a tool to help decision-makers; it doesn't overrule or remove their responsibility. As the decision-maker, you should adopt the believability-weighted choice unless you can pin-point why your own opinion is different and worth the risks.

KEY QUOTES

"While the believability-weighted answer isn't always the best answer…it is more likely to be right than either the boss's answer or an equal-weighted referendum."

"Dealing with raw opinions will get you and everyone else confused; understanding where they come from will help you get to the truth."

"It's more important to do big things well than to do the small things perfectly."

6. Have an agreed resolution process

This is essential in the event people can't resolve a conflict on their own. Escalate the dispute to an agreed third-party or have a believability-weighted vote. *Everyone* must follow the process strictly—any change can only be made after a proposal is made and approved at an organizational level.

A right to debate ≠ a right to make decisions. Once an issue is debated and decided, *everyone* must stand behind the final decision. Give decision-making power to people who will put organizational interests above self-interests.

7. WHO comes before WHAT

Ensure the right person is on the job, before you worry about what should be done. Define the goal → Give the goal to people who can achieve it → Hold them accountable → Replace them if they fail despite training & learning opportunities.

If you have the right Responsible Parties (RPs) with clear accountability, they'll find a way to achieve the goals. Always align individual incentives with responsibilities and outcomes. Everyone must report to someone (even owners must satisfy their clients and employees).

8. Hire right…You pay dearly for wrong hires

Match people to your machine's design, not vice versa. Get crystal clear on the exact type of person you want and develop the methods to evaluate those attributes.

- *Define what's required* to do a job well, in this order of priority: (i) *values* (deep-set beliefs that decide if people will fit in), (ii) *abilities* (how they think/act) and (iii) *skills* (learned tools e.g. language).
- Only choose the right person with an outstanding track record and *fits the role* so well you can almost hear a "click".
- Develop a *systematic, scientific hiring approach*. Document the best interview questions, non-verbal cues to watch for, etc. Use personality assessments to get a more objective

KEY QUOTES

"Principles are like laws—you can't break one simply because you and someone else agree to break it."

"While all individuals have the right to have their own opinions, they do not have the right to render verdicts."

"Change the people and you change how things develop."

"If you're less than excited to hire someone for a particular job, don't do it."

picture. Choose interviewers who can relate to the people you want (e.g. use a visionary interviewer for a visionary role, or a group of interviewers who collectively possess the range of desired qualities).

Pay attention to track records—they help you to figure out what someone is like and what you can expect from them. Examine if the person has the *required values*, *abilities* and *skills*, and has succeeded in those areas ≥3x. Use reference checks; don't just rely on the candidates' inputs. Look for both capability *and* character.

Don't just hire for current job-fit. Hire people you want to build a future with, i.e. they share your values/mission, will push you to improve, and want to join you despite knowing the challenges. Offer them stability and opportunity. Pay slightly above market with extra performance-based rewards to motivate them to work hard and grow the pie. Build partnerships based on mutual generosity and consideration.

9. Train, test, evaluate and sort people continuously

You can't create a perfect career plan from the start. You must discover people's preferences and strengths/weaknesses by training and testing them in specific roles. To manage the personal evolution process, give people new assignments, have periodic reviews, and keep moving them to more suitable roles.

- It usually takes 6-12 months to roughly gauge a new hire, and *18 months* to integrate him into the culture.
- *Hands-on experiences* are more effective than book learning. Ideally, have ≥2 believable trainers per trainee so they can triangulate their views. Don't dictate how people must do things; let them make acceptable mistakes and use these opportunities to get in sync.
- *Offer constant feedback* on what works/doesn't work. Look at both successes and failures to uncover truths about what they did well/badly and why. Be precise and accurate. Clarify that the feedback is to facilitate learning and doesn't affect performance rating.

It's easier to give compliments and rewards. But in the long run, tough love is more valuable: give people constructive

KEY QUOTES

"Pay people enough so that they're not under financial stress, but not so much that they become fat and happy."

"The greatest gift you can give someone is the power to be successful."

criticism and the chance to learn from mistakes. Define clear rules and use metrics to track performance against those rules.

Your goal is to know how people are like, so you can place them in the right jobs.

- Use tools (e.g. metrics, reviews, surveys) to capture people's performance from various angles, then connect the dots to get a *full picture* of a person.

- Assessments should be a *joint effort to uncover the truth*, not 1-way judgments. Both reviewer and reviewee must agree on the assessment. Give specific feedback regularly, then connect the dots with periodic reviews. Look at outcomes and processes.

- *Help people* to (i) know their shortcomings and root causes, (ii) feel motivated to change, and (iii) know how to improve.

Uphold the standards. If someone can't make the cut, let him go.

- It's easier to equip people with skills than to change their values and abilities. If someone is failing due to a *lack of values/abilities*, it's better to let them go.

- Continuously *evaluate employees* throughout their career. At each point, ask if you'd hire them knowing what you now know.

10. Run your machine as a manager/designer

At a high level, any role involves setting goals and creating systems to achieve them. Don't get lost in daily tasks.

- Be an *organizational engineer*: see how the parts are connected, measure their performance, and improve the overall design.

- Diagnose if gaps in performance are due to a *design flaw or people issues*. Study repeated problems to find the root causes.

- *Build metrics* to answer the most vital questions and give an overview of how well your machine is working.

- Treat everything as a case study to *develop principles* for future decisions. Consider *why* something occurred at a

KEY QUOTES

"You reach a point in all relationships when you must decide whether you are meant for each other."

"Great managers orchestrate rather than do. Like the conductor of an orchestra, they do not play an instrument, but direct their people so that they play beautifully together."

machine-level, then consider *what* to do at the case-level. Use higher-level principles to guide lower-level ones.

Manage for results: (i) manage others effectively, (ii) step down to address something not being done well, and (iii) escalate things if you can't handle it.

- *Know people well to use them well*. Don't delegate to someone unless you know they can handle the job.
- Ensure people are *clear about their responsibilities*. Get everyone to think like an owner, e.g. they must still ensure things work well while they're on vacation.
- Set clear expectations, *hold one another accountable* for results, and push yourselves beyond your current limits.

Probe deeply to know what to expect from the machine. To anticipate problems before they occur, you need (i) a minimum level of knowledge in an area and (ii) close rapport with people. Get daily updates from your direct reports to stay on top of their activities, issues and reflections, and go beyond direct reports to see a fuller picture. Probe transparently and welcome others to probe you too.

Great leadership is about (i) uncovering the best decisions/ answers and (ii) bringing people along on the discovery process.

- Don't insist that people follow your instructions. Instead, help people get in sync and *align their tasks and goals*.
- *Tailor your approach* for each person based on what they're like and their circumstances. Be principled but care for people.
- Communicate *plans* clearly and measure your progress.
- Anyone who can't cope has the responsibility to *escalate it* so the manager can decide what to do.

11. Don't Ignore or Tolerate Problems

If you aren't somewhat-paranoid about maintaining excellence, small issues will eventually snowball into real problems.

KEY QUOTES

"There is no greater failure than to fail to escalate a responsibility you cannot handle."

"Don't treat everyone the same—treat them appropriately."

"Making sure that little problems don't exist is important because, if they're allowed to continue, they will grow into big problems."

Have someone responsible for designing and overseeing your machine. Ideally, find people with high standards, are good with metrics, can probe deeply into issues and synthesize well.

- Beware of *creeping problems* that you may have gotten used to. Any gaps between your goals and outcomes can signify problems.

- *Involve everyone*. Invite feedback and encourage people to surface problems. Get everyone to *check their own outputs*.

Pinpoint the specifics (e.g. names and specific events). Don't generalize using "we" or "they". Tackle tough problems with the what-who-when approach: what's the problem, who's responsible, and when you should discuss it.

12. Diagnose Problems Root Causes

Ask good questions, e.g. Is the outcome good or bad? If it's bad, is it due to an incapable Responsible Person (RP) or bad design? Who should do what differently?

- Identify where the failure occurred in the *5-Step Process*. Consider if any *principles* were violated and how you can use principles to prevent similar occurrences.

- Consider *what was known* at the time the decision was made (not what you know now).

If you know a department has problems, "**drill-down**" to identify the root causes using the 80/20 rule. List down the key problems → List down the causes for each problem → Keep asking "Why" to identify root causes → Create a plan → Execute it.

Do ongoing diagnosis to see patterns/trends over time. Seek inputs from believable people.

13. Keep improving your machine design

Design is an iterative process—you must repeatedly test different people and processes, then refine accordingly. Translate criteria → principles → algorithms so you can apply principles consistently. Make tactical adjustments without losing your strategic goals.

KEY QUOTES

"It's one thing to point out a problem; it's another to have an accurate diagnosis and a quality solution."

Build the machine/organization around goals, not tasks.

- Provide *strong oversight* using believable people who have high standards and specific knowledge/skills. Keep the ratio of managers to direct reports to around 1:5 and no more than 1:10. Hire managers before hiring their reports.

- Assign the right people to the *5-Step Process*, e.g. a Visionary to set goals, a Detective to diagnose problems, etc.

- *Make departments self-sufficient* and accountable for their resources. It's ok to temporarily share resources between functions if you're small, but don't merge the responsibilities.

- Cater for *succession & training*, e.g. selecting/training/monitoring new leaders, preserving your culture and values. For mission-critical tasks, it's better to "double-do" (have ≥2 people do the same task) rather than "double-check".

Your org chart should look like pyramids within a pyramid, with minimum layers and no crisscrossing of lines.

- Have *clear reporting lines and responsibilities*, both within and between departments. Avoid dual reporting if possible. All cross-functional work must be pre-agreed between the leaders.

- Ideally, put people in roles where they'll naturally excel. But if needed, you can create *guardrails* (e.g. pair up with someone to cover blind-spots).

Install controls against dishonesty. Have auditors enforce your laws, then audit the auditors. Do transparent investigations and "public hangings" to make consequences obvious.

14. Execute your plans

Connect your tasks to exciting goals. Manage and motivate people to move in sync. Plan before you act. If you get stuck, step back, triangulate and look for creative solutions.

Don't just work harder. See things at a higher level to (i) prioritize, (ii) delegate to the right people and (iii) improve your productivity.

Use checklists to ensure you complete your tasks, while setting your sights on your wider goals/responsibilities.

KEY QUOTES

"An organization is the opposite of a building: Its foundation is at the top, so make sure you hire managers before you hire their reports."

"If you're not excited about the goal that you're working for, stop working for it."

Set aside time to rest and rejuvenate, and celebrate when you achieve your goals.

15. Use tools and protocols to shape habits

The only way to change behaviors is to practice something until you internalize the lessons and form habits. To run an idea meritocracy, you need tools to collect, process and present data in a way that facilitates learning, decision-making and action.

To help you design your own tools/protocols, Dalio describes Bridgewater's tools and protocols in an Appendix. These include coaching, the Dot Collector app, baseball cards, daily updates, manuals, metrics, etc.

16. Pay attention to governance

Governance is the system of oversight, with checks and balances to safeguard an organization's interests and principles.

- Besides meritocracy, consider other vested interests for *assigning responsibility and authority* (e.g. owners may have certain veto rights to protect their interests).
- *No one should be above the law* or irreplaceable. Loyalty to a boss or unit must never supersede that to the organization.
- Clearly lay out the reporting lines, decision-making rights, and the layers of oversight. People responsible for oversight must have (i) full info on the people they're checking on, (ii) the ability to make sound assessments, and (iii) no conflicts of interest. *Decision-makers* must be trustworthy enough to have all relevant info.

Other Details in the Book to Look out For

This is a voluminous book. Dalio presents more than 500 principles, broken down into higher-level principles, mid-level principles and sub-principles, many of which are inter-related. In this summary,

KEY QUOTES

we've consolidated the principles and key ideas. You can get deeper insights by reading the principles alongside Dalio's detailed personal journey.

These Principles are not meant to be a magic formula, but a resource to help you develop your own Life and Work Principles. For more details, tools and resources, pls visit www.principles.com.

About the Author

Raymond Dalio (born 1949) is an American billionaire investor, hedge fund manager, and philanthropist. He's the founder, co-chairman and co-chief investment officer of investment firm Bridgewater Associates, one of the world's largest hedge funds. In Feb 2020, Dalio was ranked by Bloomberg as the world's 79th-wealthiest person.

Dalio began investing at the age of 12. He received a bachelor's degree in finance from Long Island University and an MBA from Harvard Business School. Thereafter, he worked as a trader, as the Director of Commodities at Dominick & Dominick LLC, then a futures trader and broker at Shearson Hayden Stone, before starting Bridgewater Associates.

KEY QUOTES

EXPERT SECRETS

The Underground Playbook for Finding Your Message, Building a Tribe, and Changing the World

Russell Brunson

The Big "So What"

Each of us has the potential to inspire, add value, and lead others with our unique talents and experiences. Whether you're an employee or a business owner, this book offers a blueprint to transform your knowledge into a meaningful and profitable business.

Introduction: What is an Expert Business?

There are 2 key steps to achieving true fulfillment in life:

- *Grow yourself*: Start by mastering a skill or area you're deeply passionate about. This could be anything from crafting potato guns to composing sheet music or fixing bicycles. Immerse yourself in the subject, and learn/apply the knowledge to the point you become a true expert in that area.

- *Contribute to others*: There's a limit to how much you can learn on your own. By teaching and sharing your expertise with others, you can deepen your mastery, make a meaningful impact, and make money in the process.

An expert business is about delivering impactful information products. There are **two main ways to build such a business**:

- Share your knowledge *as an expert*, by packaging it into products like courses, coaching, or consulting.

- Using information products to *grow an existing business* quickly:

  (i) By educating customers on the value of your solutions, you prime them for purchase;

KEY QUOTES

"You hold in your hand the step-by-step roadmap to turning those assets into wealth and prosperity."

"Growth is just half of what we need to have true fulfillment in life. The second half of fulfillment comes from contribution."

"I believe the true value of an expert business isn't the money you make, but the people's lives you're able to change through your message."

"You will get all you want in life, if you help enough other people get what they want."
—Zig Ziglar

(ii) By positioning yourself as an authority, you can command a higher price; and

(iii) By attracting large numbers of prospects with free educational content, you reduce your client acquisition cost.

For example, ClickFunnels became a leading SaaS company by first offering educational products that taught marketing strategies. These products concurrently generated revenue and primed customers to use their software to implement those strategies.

In this summary, we'll be presenting the Expert Secrets system in 3 parts:

- Creating Your Mass Movement;
- Installing the Right Beliefs; and
- Monetizing Your Expertise.

Part 1: Creating Your Mass Movement

To make a meaningful impact or build a thriving business, you need a pool of engaged audience—people who trust you, resonate with your message, and are eager to follow your lead.

- A mass movement revolves around True Fans who're deeply passionate about your message. These are the people who buy from you, champion your cause, and eagerly anticipate your next offering. This starts with *finding and serving the right audience*.
- Every successful mass movement is built on *3 key elements*:

  (i) A charismatic leader;

  (ii) A future-based cause; and

  (iii) A new opportunity.

KEY QUOTES

"It's only by shifting our focus to helping others that we continue to grow."

"They say that the best time to plant a tree was 20 years ago, but the 2nd best time is right now."

"A creator, such as an artist, musician, photographer, craftsperson, performer, animator, designer, videomaker, or author—in other words, anyone producing works of art—needs to acquire only 1,000 True Fans to make a living."

"If you jump into an already existing red ocean, you'll be fighting an uphill battle. But if you create a blue ocean, you will find success so much easier."

Identify Your Niche

Define the audience for your mass movement by asking: Who do I want to serve? What unique value can I provide?

- Start with *3 core markets* (Health, Wealth, or Relationships), narrow down to a *submarket*, then a *niche*. For example: Health (core market) → Nutrition (submarket) → High-fat diets (niche).

- Study competitors to identify *gaps or underserved areas* where you can offer a unique solution.

- Avoid a submarket/niche that's overcrowded ("red ocean"). Aim to start a new niche within an attractive submarket by presenting a new opportunity—carve out a fresh "*blue ocean*" with minimal competition, and an audience that'd be excited by your offering.

- Validate your niche. Ensure your audience meets *2 criteria*:

  (i) Irrationally passionate, with signs like: existing communities, events, unique vocabulary, and established experts.

  (ii) Willing and able to spend money i.e. they have both the enthusiasm and resources to invest in your solution.

Become a Charismatic Leader (Whom Others Follow)

Every movement begins with a charismatic leader who embodies the values, aspirations, and identity of the group they lead. People follow you because they see you as someone who's been where they are and can guide them to success.

KEY QUOTES

"You don't want to be the first celebrity in a market. You want a topic or niche with its own subculture already established."

"There are people today who need what you have."

"You don't have to be the most knowledgeable person in the world on your topic, you just have to be one chapter ahead of the people you're helping."

- If you *feel inadequate as an expert*, remember:
  - *You don't need certifications*—your results are proof of your expertise. Tony Robbins, for example, began teaching NLP before he was certified, and transformed millions of lives.
  - *You don't need to be the best*. You can lead your audience so long as you're 1–2 steps ahead of them.

To establish yourself as a charismatic leader:

- *Be relatable and authentic*. Share your transformation journey honestly. Show the human behind the expertise, including your struggles, vulnerabilities, and triumphs.
- *Communicate with certainty*: Certainty inspires trust. Just share your message consistently through blogs, videos, or podcasts. The more you share, the more refined and confident your message becomes.
- *Share bold, polarizing ideas* that capture attention and spark conversation. Aim for the "prolific zone" that's bold but not extreme. For example, Dave Asprey became a multi-millionaire by creating Bulletproof Coffee: a mix of butter and coffee as a weight-loss method. Some people will love your idea while others will hate it—just focus on the true fans and ignore the rest.
- *Persuade with emotion*: Connect with your audience via storytelling, using these actionable steps from Blair Warren's One Sentence Persuasion framework:
  - Show how your idea helps them to *achieve their dreams*;
  - *Justify their failures* by blaming outdated systems/methods.
  - *Address their fears* and inspire hope with relatable stories and solutions.
  - *Validate their suspicions* about existing solutions to make them feel understood and smart.
  - Use an us-versus-them narrative to *target a common enemy* (e.g. flawed systems or competitors).
- *Show genuine care for their success*. Remember: you're actually helping your audience by charging for your services, since

KEY QUOTES

"The gap between where they see themselves and where they see you is what moves them to action and helps them make the necessary changes."

"In any situation, the person with the most certainty wins."

"If you haven't offended someone by noon each day, then you're not marketing hard enough."
—Dan Kennedy

"People will do anything for those who encourage their dreams, justify their failures, allay their fears, confirm their suspicions, and help them throw rocks at their enemies."
—Blair Warren

"They don't care how much you know until they know how much you care."

they're more likely to value and act on the information you provide.

- *Deliver real value that matters to them*, be it connection or tangible results like weight loss or financial stability.

Craft a Future-Based Cause (to Form Your CULT-ure)

People are driven by the promise of a better future. Articulate an inspiring vision that's bigger than yourself—something that rallies your audience and motivates them to take action.

- Use *clear, motivating slogans* that serve as a rallying cry and show the possibilities ahead. For example, ClickFunnels created the slogan "You're Just One Funnel Away..." to inspire users to envision how a single funnel could transform their lives—be it achieving financial freedom or building a thriving business.
- Show that a seemingly-impossible goal is actually *achievable*. Highlight tangible milestones that other community members have achieved, e.g. ClickFunnels' "2 Comma Club" celebrates members who've earned >$1mil using their funnels. This offers proof of success others to strive toward similar goals.
- Use statements or labels that members can adopt as part of their *personal brand/identity*, e.g. "I'm a ___" or "I___."
  - For example, ClickFunnels users proudly declare, "I'm a Funnel Hacker." When Brandon and Kaelin Poulin rebranded their company from "Tuell Time Trainer" to "Lady Boss," their fans started to call themselves "Lady Bosses."
- *Create a "Title of Liberty"*—a unifying statement or symbol that reminds your community of their purpose, identity, and actions. There are 3 ways to create this:
  - A *mini-manifesto*: a short, impactful phrase that captures the group's identity and purpose, e.g. "I am a Funnel Hacker. I define my destiny..."
  - A *manifesto*: a detailed declaration of beliefs and values explaining what the group stands for and opposes.

KEY QUOTES

"Those who pay, pay attention—and the more they pay, the closer attention they pay."

"Our job as expert and leader is to help bring people to higher ground. To move them from where they are to where they want to be."

"The certainty people get when they see someone else do something they thought was impossible, gives them the belief they need to also achieve that same goal."

"Fear of the future causes us to lean against and cling to the present, while faith in the future renders us perceptive to change."

- A visually-engaging *video* that summarizes the cause, who you are (and why you're different), what you stand for, who you stand against, and why your movement matters.

Introduce a New Opportunity (or the Vehicle for Transformation)

The new opportunity serves as a vehicle for transformation, offering your audience something fresh and exciting, rather than fixes or improvements to existing methods. New opportunities work because:

- People are drawn to things that *improve their status*, but avoid things that lower their status. Improvement-based offers remind people of past failures and shortfalls, threatening their self-esteem and status. New opportunities shift the focus from fixing old problems to embracing new possibilities—they promise progress and the chance to raise their status (e.g. feel smarter, wealthier, more successful) without the stigma of past failure.
- New opportunities create a "blue ocean" with little competition, *avoiding price wars in saturated markets*.

For example, Steve Jobs revolutionized the music industry by introducing the iPod—a groundbreaking device—rather than improving existing MP3 players.

There're 2 strategies to position your offer as a new opportunity:

- *Opportunity switching*: Introduce your audience to a completely new method/approach that gives them hope for a better future.
- *Opportunity stacking*: Enhance your new opportunity by offering additional tools or products to support the transformation.
- An offer can be *both a switch (for beginners) and a stack (for advanced users)*. For example, Brunson introduced expert businesses as an opportunity switch for busy working professionals to leverage their expertise for income. He then positioned ClickFunnels as part of the opportunity stack, offering tools to implement and scale their expert businesses.

KEY QUOTES

"Status is the only thing that causes people to move toward you or not move at all."

"Our goal is not to fix what's not working. Our goal is to REPLACE what's not working with something better."

"Your job as the expert is to load up the elevated status side of the scale and decrease the risk of failure."

"It matters less what product they are buying; it's more important to understand that they are leaving behind whatever old beliefs they had about how to achieve their desired results and putting their hope and faith into this new opportunity."

Follow these steps to create a new opportunity:

- *Work with a small group of ideal clients for free*. Aim to deliver measurable results and collect testimonials to build credibility.

- *Design a six-week masterclass*: Teach your audience how to achieve their desired result using the new opportunity. Treat this as a beta program to refine your ideas before targeting paying clients. Six weeks is an ideal duration, since you risk refunds for shorter periods, and may receive complaints (about time commitments) for longer ones.

- *Develop marketing materials first*, before designing the masterclass, to ensure your messaging is clear and relevant.

  (i) *Who/What statement*: Define your audience and results, using this format: "I'll teach [*specific submarket audience*] *how to [specific niche outcome*]." For example, "I will teach introverted men how to confidently approach and attract their dream partner."

  (ii) *Opportunity switch title*: Highlight the result for your masterclass in this format: "How to [*result they want most*] Without [*pain they fear most*]". For example, "How to Lose Weight Easily Without Giving Up Your Favorite Foods."

  (iii) *Curiosity hook*: Use 5 compelling angles to differentiate your masterclass.

  - *Little-known, big differences*: Showcase a fresh, impactful concept, e.g. "There's a little-known hormone called ghrelin that controls your hunger. It can transform your weight loss journey."

  - *Well-known, little understood*: Expose hidden truths about familiar ideas e.g. "Everyone knows about counting calories, but few know that meal timing can turbocharge your metabolism."

  - *This changes everything*: Present a breakthrough that revolutionizes the market e.g. "Tired of traditional weight-loss plans? A groundbreaking approach uses personalized meal timing to reset your metabolism effortlessly."

KEY QUOTES

"Most people design the class first and then think about marketing, but that is a formula for disaster."

"By changing your positioning, you'll pull your opportunity out of a red ocean and plunk it down into a blue ocean."

- *The crystal ball theory*: Frame old methods as outdated and your solution as the future e.g., "Counting calories is outdated. The future lies in personalized metabolic tracking for faster and lasting weight loss."

- *Revisiting the fundamentals*: Offer a simpler alternative e.g. "Forget complicated meal plans. To lose weight sustainably, you just need to balance food portions.

- Don't assume you know what your audience wants/needs. *Ask what they want* using surveys or questions, then create targeted solutions that resonate with your audience. Remember: People buy what they want, not necessarily what they need.

  - Create a survey or ask: "What's your #1 question about [niche/topic]?" with an incentive to respond, e.g. free access to your masterclass.

  - Share the survey with friends, Facebook groups or social media communities (but be sure to add value before asking), and/or using paid ads (for faster responses).

  - Collect 100+ answers and identify 8-10 recurring themes. Use them to craft your masterclass outline and module titles.

  - Create benefit-driven bullets for marketing, based on the audience's language. If people are asking "What's the best way to save time meal prepping?" and "How to stay on track when I'm busy?" then title your course "How to Prep Healthy Meals in Under 30 Minutes—Even on Your Busiest Days!"

- *Deliver your free masterclass*:

  (i) Create a private Facebook group to engage participants, share updates, and provide bonuses.

  (ii) Host sessions using platforms like Facebook Live, Zoom, or GoToWebinar.

KEY QUOTES

"Because we're the experts in our respective niches, it's easy to assume we know what people want. And while sometimes we may be right, more often we miss the mark."

"People don't buy what they need, they buy what they want."

Part 2: Installing the Right Beliefs

To persuade your audience to embrace your new opportunity, you must use masterful storytelling to transform their beliefs.

Craft a Big Domino Statement

The Big Domino is the one key idea or belief your audience must accept for them to take action without objection or hesitation.

- Use this *structure* for your Big Domino statement: "If [*new opportunity*] is the key to [*what they want most*] and it's only attainable through [*your specific vehicle*], then all objections become irrelevant."
  - For example: "If funnels are the key to online business success and they're only attainable through ClickFunnels, then all objections become irrelevant."
- *If your Big Domino feels weak*, you might be offering an improvement, not a new opportunity. Make sure you have a unique vehicle that replaces mainstream solutions.

Develop Epiphany Bridge Stories

Once you have a Big Domino statement, the next step is to build belief around it through storytelling. Epiphany Bridge stories help you to connect emotionally with the audience and shift their beliefs.

- People *make decisions emotionally*, then justify them logically. If you can lead them to experience your emotional epiphany, they will fill in the logic themselves.
- Use a *backstory* to recreate the breakthrough "aha" moment when you discovered the new opportunity, with *additional stories* to dismantle other false beliefs or objections preventing them from accepting the Big Domino.

KEY QUOTES

"Everything comes down to one thing—belief. Belief creates the customer. Belief creates the results."

"You must persuade people to believe in what you are doing, and you do that by mastering the art of storytelling."

"The first step to creating belief is figuring out the ONE THING you have to get someone to believe that will knock down all their other objections, make them irrelevant, or disappear altogether."

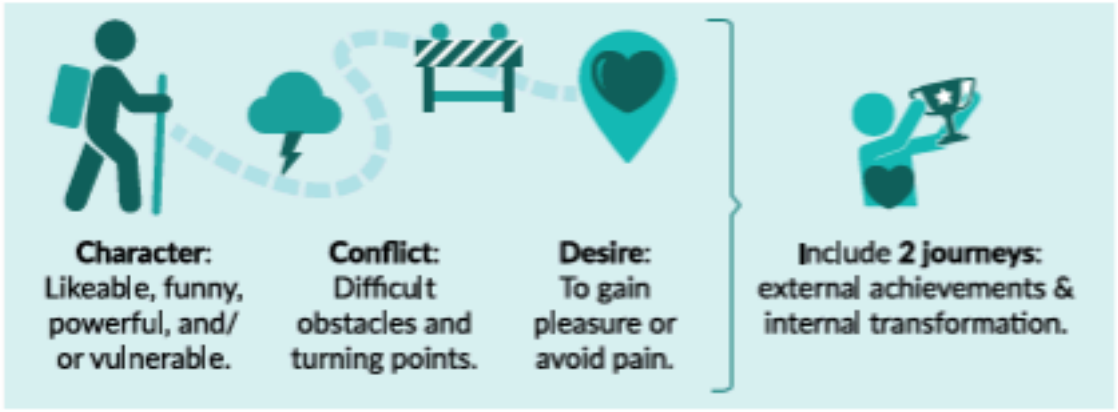
"The first step to creating belief is figuring out the ONE THING you have to get someone to believe that will knock down all their other objections, make them irrelevant, or disappear altogether."

"There's a time and a place for logic, but you have to convince them emotionally first, before they'll be excited by your logic."

Use these tips for effective storytelling:

- Use *simple, relatable language* (at third-grade level).
- *Describe emotions vividly* so your audience can experience your breakthrough.
- Use *analogies or comparisons* to explain unfamiliar concepts, e.g. "Funnels are like highways that guide your customers straight to their destination."

Every good story follows a plot structure like this: "[*Character*] wanted to [*Desire*], but [*Conflict*]." Use this to tell the backstory of how you first got excited about the new opportunity.



- The *character* is the hero of the story (you or someone else). To be relatable, they should be likeable, funny, powerful, a victim of external forces, and/or in a vulnerable position.
- *Desire* refers to what the hero wants to achieve, which could be to:
  - (i) Gain pleasure, e.g. win love/status or retrieve something valuable.
  - (ii) Avoid pain, e.g. escaping failure or trying to stop a disaster.
- *Conflict* refers to the seemingly-insurmountable obstacles that create emotional tension. Most films include 5 turning points:
  - (i) New opportunity/event that triggers the hero's journey.
  - (ii) Change of plans as the hero crystallizes a clear, specific goal.
  - (iii) Point of no return, where the hero fully commits to a high-stakes situation.
  - (iv) A major setback that makes success seem impossible, but they make one final push toward a sliver of hope.

KEY QUOTES

"Using big words may make you feel smarter, but it will not influence others."

"Any time you're speaking (or writing) and you hit a friction point where some people may not understand what you're trying to convey, just say "it's kinda like..." and relate it to something easy to understand."

"Every good story is about a captivating character who is pursuing some compelling desire and who faces seemingly insurmountable obstacles to achieving it. That's it. If you've got those three things, then you've got a good story."
—Michael Hauge

"Our primary goal as storytellers is to elicit emotion, and you can't do that without conflict."

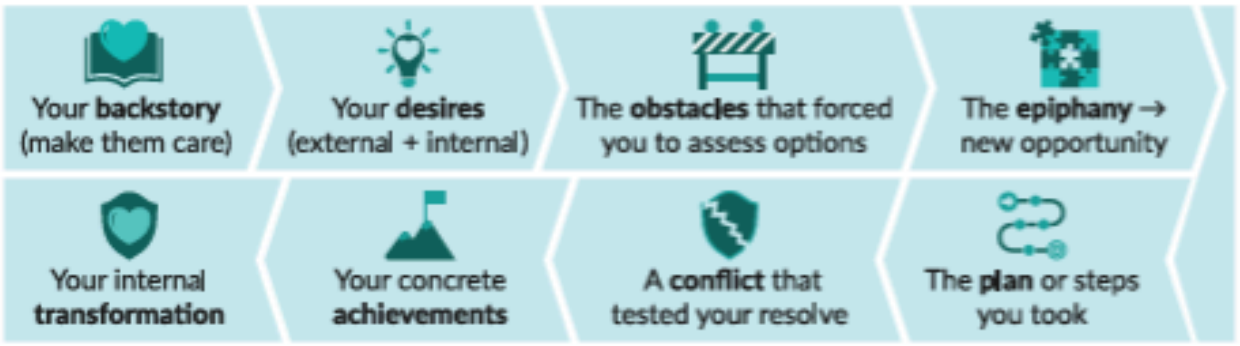
(v) The climax, as the hero overcomes the greatest obstacle to achieve external success and internal transformation.

- A relatable and emotionally-engaging story must include 2 *journeys* that the hero undertakes:

  (i) The *Journey of Achievement*: the external, tangible goal the hero seeks, e.g. "to earn enough to support my family."

  (ii) The *Journey of Transformation*: the internal and emotional transformation the hero experiences along the way, e.g. "I overcame my limiting beliefs about money and discovered my true potential."

Use these 8 steps to take your audience through the hero's two journeys and incorporate the elements above:



- Share your *backstory* to make the audience care. Show that you were once where they are now, e.g. "I was a broke college student selling potato gun DVDs to support my family."

- Share what you *desire* to achieve, including both external and internal struggles, e.g. "I wanted to support my wife and feel like a good husband, but I struggled to earn enough money."

- Tell the *obstacles* that forced you to reassess your current option, e.g. "Google ad costs skyrocketed and shut down my only income source."

- Describe the aha moment (*epiphany*) that revealed the new opportunity, e.g. "I discovered sales funnels and realized they could increase customer value."

- Show the *plan* or steps you took, e.g. "I started building funnels for profitable markets like weight loss."

- Share a *conflict* that tested your resolve and pushed you to the point of no return, e.g. "Funnels were costly and my success rate was low. Soon, I maxed out my credit cards and had no choice but to make the next funnel work."

KEY QUOTES

"While we want our hero to achieve his goal, it's more important that he becomes someone different along the way. There has been a death of his internal struggles and a rebirth of something more."

"When they see that you were once where they are now, they will have faith that you can take them where they want to go."

- Reveal what you *achieved*, e.g. "I created ClickFunnels to simplify funnel-building. It became a multi-million-dollar business that helped thousands of entrepreneurs."
- Explain how the journey *transformed* you, e.g. "I achieved financial freedom, discovered my purpose, refocused on my family, and helped others find success."

Address False Beliefs

After hearing your Big Domino and Epiphany Bridge backstory, your audience will still have objections rooted in 3 main false beliefs:

- *Vehicle*: Doubts about the viability of the new opportunity, e.g. "Funnels won't work for my business."
- *Internal*: Doubts about their own ability to succeed e.g. "I'm not tech-savvy enough to build a funnel."
- *External*: Doubts about external obstacles, e.g. "I wouldn't know how to drive traffic to a funnel."

To identify and replace these false beliefs:

- List down all the *false beliefs* your audience might have about your opportunity, e.g. "Losing weight means giving up food I love."
  - (i) List down the experiences that might have led to those beliefs, e.g. "The last restrictive diet made me so miserable."
  - (ii) Sort these into vehicle, internal, and external beliefs.
  - (iii) Identify the top false belief for each category.
- Create an *Epiphany Bridge story* for each false belief to show how you (or someone else) overcame it. For example: "I thought weight loss meant giving up my favorite foods, but then I discovered a plan that lets me eat ice-cream while still losing weight."
- Turn each belief into a *curiosity-driven secret* that hooks interest, e.g. "How to Lose Weight Without Giving Up Your Favorite Foods or Counting a Single Calorie." You should

KEY QUOTES

"When I'm trying to sell someone on my new opportunity, almost instantly their subconscious mind will start thinking about all the reasons it isn't possible, or why it won't work for them. The bad news is that these beliefs can be really strong."

"If I can identify people's false beliefs and tell stories that show them the truth, I didn't need to "sell" them anything. The stories lead people to the right belief, and they sell themselves."

"The better you get at telling the stories, the more effective you'll become at persuading others, and you'll know exactly what to say when customers bring up objections."

have 3 key secrets to counter the top vehicle, internal, and external belief.

Part 3: Monetizing Your Expertise

Having identified your audience, built a movement, and replaced false beliefs, you're now ready to turn your expertise into a sustainable business.

Create an Irresistible Offer (The Stack Slide)

Start by putting together an irresistible offer—a complete package that makes it a no-brainer for your audience to buy.

Create a "stack slide", i.e. a list of valuable items that will help your dream clients to achieve their desired results.

- *Brainstorm as many options as possible*, including:

  (i) Your *core offer* (e.g. the Opportunity Switch masterclass);

  (ii) *Complementary tools* (e.g. templates, checklists, software) to increase their chances of success;

  (iii) Other tools or tangible assets to *address false beliefs*, e.g. case studies, video guides, sample scripts, and cheat-sheets to help them address internal/external obstacles; and

  (iv) An *exclusive bonus* with scarcity and urgency, e.g. "First 20 to enroll before Sunday gets a 2-hr private coaching session."

- Each item has an attached value, and the combined value of the items should be *10x the value* of your asking price. In short, a solution that costs $997 should deliver ≥$9,997 of value.

What you're gonna get...

Masterclass	($9,989 value)
Tools	($989 value)
Tangible#1	($387 value)
Tangible#2	($387 value)
Tangible#3	($387 value)
Bonus	(Priceless)

Total Value: ~~$12,139~~

Price: $1,039

KEY QUOTES

"Before I ever start selling anything, my first step is to create an irresistible offer."

"If you believe in the product or service you're selling, then you have a moral obligation to try and serve your customers in every way possible."
-Jay Abraham

"Think of it not as the value you'd sell it for, but the value they get from it. What will the results from each element be worth to them?"

The Perfect Webinar Script

This is a proven 4-part framework that you can use for presentations, webinars, sales videos, or email sequences. It gets the audience to believe in the Big Domino and to take action.

Introduction: Focus on building rapport.

- Show a *compelling title* for the opportunity-switch masterclass: "How to ____ Without ____."
- *Build rapport* using the One Sentence Persuasion Formula:
  - Justify their failures: "It's not your fault low-carb diets did not work—they were never sustainable in the first place."
  - Allay their fears: "If you're worried you can't succeed, rest assured—you can with the right guidance."
  - Target the enemy: "Big corporations don't want you to win."
  - Confirm their suspicions: "You're right—the system was rigged against you."
  - Encourage their dreams: "You have a dream to make an impact, and this webinar will show you how."

Define the One Thing:

- Present the *Big Domino*, i.e. the new opportunity is the only way to achieve their greatest desires, e.g. "The only way to grow exponentially is through sales funnels, and the only way to build funnels is via ClickFunnels."
  - Tailor your message to the specific audiences, erring on the side of inclusivity. For example: "My goal for this presentation is to help 2 types of people. If you are [type 1] you'll get [desired result 1]. If you are [type 2] you'll get [desired result 2]."
- Share your *Epiphany Bridge backstory* on how you arrived at this realization. Recreate the emotional "aha" moment for the audience, linking back to where they're at now.
- Establish *credibility* by:

  (i) Briefly sharing your achievements (both external results and personal transformation); and

KEY QUOTES

"The goal is always to help them to see that this new opportunity will give them their greatest desires, increase their status, and help them achieve their goals."

"[Persuading people] doesn't begin at the close, that begins the second you start talking."

"While it may seem like we're doing a lot in this script, there is just one goal: Get them to believe One Thing."

"If you knock down these three beliefs through the content section of the presentation, the Big Domino will fall and they will join your new opportunity."

(ii) Sharing case studies to show the new opportunity works for other "ordinary" people, e.g. "Here's what [*real person*] achieved in just [*short timeframe*]."

Present the 3 secrets to replace false beliefs with new ones.

- Introduce each secret with a *curiosity-driven statement, followed by an Epiphany Bridge story* to dismantle the false belief:

  (i) Use this format: "You're probably thinking [*objection*], right? Well, let me tell you a quick story..."

  (ii) Conclude by stating the new belief as an undeniable truth, e.g. "Now you know how to ethically steal over $1,000,000 worth of funnel hacks for under $100..."

- Start with Secret #1 (vehicle belief), then repeat the process for Secret #2 (internal belief) and Secret #3 (external belief). You can use this approach to address as many associated beliefs as you wish, with a 30-60s story each. Once you *topple the false beliefs*, they will naturally embrace the Big Domino.

- *Recap the 3 secrets* and link them to the audience's desired results. For example: "If you use Secret #1 to find a funnel, Secret #2 to build it, and Secret #3 to drive traffic, do you think you could succeed?"

- Use questions to smoothly *transition to selling*:

  (i) "Who's excited about what we covered, but feeling just a bit overwhelmed?" Use light humor to ease the mood and explain that you can't cover everything in one session.

  (ii) Then ask: "Is it okay if I take 10 minutes to show you a special offer to help you implement this?" Pause to let them agree before you proceed.

The stack slide is where the selling happens. People only recall the last thing they see, so show each item in your stack slide one by one, building up the perceived value and ensuring they remember the full offer—not just the last item—to make your package look irresistible.

KEY QUOTES

"The old belief pattern has been shattered, and you've installed a new one. And that's the most powerful thing you can do as an educator and an expert."

"You're changing their world from I CAN'T to I CAN and I WILL. That's the biggest gift you can give people—hope and belief in themselves."

"This is not a teaching presentation; this is a presentation to inspire people and cause them to actually take action to change their lives. The teaching is what you do AFTER they have purchased."

"The act of buying creates a commitment that causes them to actually take action."

- Introduce the *core offer, leading in to stack slide 1*:

  (i) Briefly explain what they will get over 6 weeks of masterclass.

  (ii) Share 3 success stories and an inclusive statement, e.g. "This is for people who're already successful and want to multiply their results."

  (iii) Address their #1 objection, then show the 1st stack slide with the value of the main offer (e.g. Masterclass worth $6,997).

- Introduce the *1st tool or tangible asset, leading in to stack slide 2*:

  (i) Explain the pain/cost you experienced to create the tool/asset and how it'll help them to save time/money.

  (ii) Address the #1 objection about the tool/asset, then show the 2nd stack slide with the value of this tool (e.g. software worth $997) *in addition to* the main offer. Show the new total value.

- Repeat the same process for *other tools/assets* (e.g. templates, swipe files), progressively increasing the package's total value.

$$ Round up all the offers and their combined value in the **Big Stack Slide**. Make sure the value is at least 10x the actual price.

- Show the total value of the package then use the *if/all statement* to ask: "If all this system did was [*Secret #1 result*], would it be worth $[*total value*]?" Repeat for all 3 secrets to get them to say "yes" 3 times.

- Get them to think on the result's worth, e.g. "You can see why people invest $10,997 for such results." Then, reveal your price today (e.g. $997) at a *special discount*.

- Explain that *you had 2 choices*—to sell as many courses as possible cheaply, or to offer a quality program for a slightly higher price—and you chose to deliver the best results.

KEY QUOTES

"The only thing prospects remember when you sell is the last thing you showed them."

"Usually there's a common reason people don't get started right away. It's the elephant in the room. Address it head-on so they don't keep thinking about it through the rest of your presentation."

"If they don't think the last thing you offered is worth the price, they simply won't buy.

"The more you can get them to say yes, the more likely they will accept the epiphanies you've shared with them and the offer presented."

"As I gained experience, I realized that the elements that come AFTER the initial price reveal are vitally important to closing the sale."

- Explain that *they have 2 choices*—to do nothing (and get nothing), or take a leap of faith with this offer. Point out how fast they'll recoup the investment even with half the expected results.
- Remove all risks with a *30-day money-back guarantee*.
- Show the stack slide again to solidify the offer with *scarce, limited-time bonuses*.
- *Close* with a Q&A slide featuring: (i) a recap of the offer, (ii) a countdown timer, (iii) the final price and (iv) a CTA link or contact details.

Mastering Your Closes

Brunson categorizes closes into 2 types:

- *Trial closes* are used every 60s or so, to prime the audience to say "yes" repeatedly. Use questions like: Is this making sense? Can you imagine if this happened to you? Who here wants a free copy of this? Isn't this cool? Have you heard this before? Are you ready to get started?
- *Full closes* happen at the end of the presentation. Brunson shares his 16 favorite closing strategies, such as:
  - (i) Positioning money as a tool for exchange, not something to hoard.
  - (ii) Painting a vivid picture of their life now vs what it could be.
  - (iii) Reassuring them they have all they need to succeed.
  - (iv) Helping them visualize the specific steps they'll take.
  - (v) Eliminating perceived risks with guarantees.

You can use the Perfect Webinar flow to promote your offer via email, or to launch a new product:

- 1st email/video: Share your *Backstory* Epiphany.
- 2nd email/video: Share the *New Opportunity* Epiphany.
- 3rd email/video: Share the *Internal Belief* Epiphany.
- 4th email/video: Share the *External Belief* Epiphany.

KEY QUOTES

- 5th email/video: Share the *Stack*.

The Perfect Webinar script works for offers priced between $297-$2,997. However, high-ticket offers ($2,997-$100,000) require extra steps. Use personal calls to pre-screen and qualify prospects:

- Pre-quality prospects by having them fill out an *application form*.
- Approved applicants then book a *30-minute call*, during which you use 4 key questions to close the deal:

  (i) "Why do you want to achieve this goal? Why is it important to you?" Seek to understand their internal/external goals. Reject prospects with vague goals or those you can't help.

  (ii) "Why haven't you achieved this yet?" Aim to understand the obstacles, skills, or mindset gaps holding them back. Watch for red flags like blaming or lack of ownership.

  (iii) "What skills/assets/resources can you use to overcome these challenges that you're not utilizing 100%?" Keep asking "what else" to help them realize untapped solutions and possibilities.

  (iv) "Would you like me to help you achieve this?" If they say "yes", state your fee and deliverables. If affordability is an issue, offer a payment plan.

Build Your Funnel

Once your Perfect Webinar presentation is ready, the next step is to optimize and automate your process for attracting new leads and converting them into buyers.

Focus on 1 webinar, delivering it live weekly for a year to optimize it. Only automate your webinar *after* you have predictable results. Start a weekly rhythm, such as:

KEY QUOTES

"You want people who will take responsibility for their own actions."

"If you've done a good job with the questions, and they can afford your fee, then you should close most of the people you talk to."

- Mon–Wed: *Promote the webinar*.

  (i) Drive traffic to a *webinar page* with curiosity-driven headlines (e.g. "How to__ without __") and a registration deadline. Use static images as they convert better than videos.

  (ii) People who register are taken to a *thank-you page* with the webinar details and a video that conveys your passion. You can use this page to sell related products (e.g. free trials or memberships).

  (iii) Send emails to introduce your philosophy, build excitement for the webinar, and presell the 3 secrets. Explain each false belief and show how the webinar will prove it wrong. This boosts curiosity and ensures they show up.

  (iv) Send email/text reminders the day before, 1 hour before, 15 minutes before, and when the webinar is live.

- Thu: *Present live* for 90 minutes (60min content + 30min pitch) with 15-30 min Q&A. Choose a day/time that suits your audience. Keep refining your closing rate to increase revenue.

- Fri-Sun: Start your *post-sales* the day after the webinar. Share the replay, summary and/or cheat-sheets, along with reminders of the time-limited offers/bonuses. Close the cart on Sunday at midnight.

- *Repeat the cycle* weekly for a year to improve your targeting and results.

The key to driving traffic is find where your ideal audience already is. The Dream 100 strategy helps you to multiply your results.

- Identify *100 key people or companies* that control the traffic in your niche, such as influencers, bloggers, or podcasters.

- Start *nurturing relationships* with them by:

  (i) Subscribing to their email list, engaging on their social accounts, and learning about their interests.

  (ii) Providing a platform to promote their work and build rapport, e.g. interview them on your podcast/blog.

  (iii) Offering unique solutions to help them achieve their goals.

KEY QUOTES

"If your registration page isn't converting well, it's because you're showing people too much and they assume they know the answer."

"Buyers in motion tend to stay in motion...if they buy from you BEFORE the webinar, they are a lot more likely to buy from you ON the webinar."

"Run it every week for a full year, and watch what happens to your bank account and your expert status."

"If people think they have all the time in the world to buy, they won't."

"Dig your well before you're thirsty"
-Harvey Mackay

"There is nothing worse than getting a meeting with an influencer and not knowing who they are, what they're working on, or what's important to them."

- At the right time, *promote your offer to them*.

  (i) Ask them to share your offer with their audience;

  (ii) Target their audience through paid ads; and/or

  (iii) Partner with them by integrating your offer into their funnels, thank-you pages, or email campaigns.

Other Details in the Book to Look out For

You already have the potential to **make a massive impact** on people's lives. You just have to get clear on the audience you wish to serve, create a unique opportunity, get results with a beta group, craft the right offer, and master the art of storytelling.

This book provides a **step-by-step guide** to help you start your expert business, including numerous real-life examples, success stories, sample scripts and templates for sales presentations, emails, and webinars. For more details, visit https://expertsecrets.com.

About the Author

Russell Brunson is a serial entrepreneur, author, speaker, and digital marketing expert. He is the co-founder of ClickFunnels, a SaaS platform that helps businesses create highly effective sales funnels. Over the past 2 decades, Brunson has helped thousands of entrepreneurs scale their businesses and achieve financial freedom. He is the author of the bestselling Secrets Trilogy—DotCom Secrets, Expert Secrets, and Traffic Secrets—which provides actionable strategies for online success.

KEY QUOTES

"The WORST time to contact your Dream 100 is the day you need them to promote something for you. The best time to start building relationships is NOW."

"Your message has the ability to change people's lives, so use it."

SPIN SELLING

Situation ▪ Problem ▪ Implication ▪ Need-payoff

Neil Rackham

The Big "So What"

SPIN Selling is a research-backed sales framework for large, complex deals. It involves using specific questioning techniques to uncover customer needs, build trust, and close large sales effectively. The insights are especially useful for sales professionals, entrepreneurs, and business leaders involved in high-value, complex sales, or people looking to improve their ability to manage long sales cycles, engage multiple stakeholders, and drive long-term sales success.

What is SPIN Selling?

SPIN Selling is a consultative, needs-driven sales approach developed in the 1980s from the largest-ever research study on sales performance. The study analyzed 35,000+ sales calls involving 10,000+ salespeople across 20+ countries over 12 years.

- Neil Rackham and his team launched this extensive research after discovering that *traditional sales methods consistently failed in major sales*. By studying 116 sales variables and what set top-performing salespeople apart from the rest, they discovered that:

  (i) Common methods like aggressive closing and objection handling work in small sales but backfire in major sales.

  (ii) Instead, success in large sales is driven by a relationship-based, consultative approach facilitated by 4 types of questions: Situation, Problem, Implication, and Need-payoff (SPIN).

  - Situation: Gather background information;

KEY QUOTES

"I'm writing this book for people whose business is the major sale—and who, like me, have become dissatisfied with the effectiveness of traditional sales models and are looking for something more sophisticated."

"What works in small sales can hurt your success as the sales grow larger."

- Problem: Explore customer difficulties/needs;
- Implication: Understand consequences of the problems; and
- Need-payoff: Highlight the value of solving the problem.

- SPIN Selling was *field-tested globally*, showing a 20% average increase in sales volume. It works especially well in situations with long sales cycles, multiple decision-makers, and complex processes. The findings continue to influence sales methodologies today.

Understanding Buying Needs and Psychology

Small vs major sales: In SPIN Selling, small sales refer to low-value purchases that can be completed in a single call, e.g. buying a $15 USB drive. Major sales are high-value and complex, involving lengthy decisions and multiple decision-makers, e.g. buying a new home or a $150,000 enterprise IT system.

Major sales require a different approach due to differences in buyers' decision-making process and psychological factors.

- *Longer sales cycles*: Major sales span multiple calls involving multiple stakeholders. Discussions often occur in the absence of the salesperson, and the sales cycle can take months, or even years. A good product pitch is less important than building trust and helping customers to promote the solutions internally.
- *Higher stakes*: Not only are the investment amounts bigger, buyers also face scrutiny and accountability for their purchase decisions, making them more cautious.
- *Ongoing relationships*: Buyers often require long-term post-sale support, making the buyer-seller relationship critical.

Customer needs evolve in 3 stages, moving from implicit to explicit:

- *Vague dissatisfaction (Implied Need)*: Initially, the buyer notices minor imperfections but is unaware of their significance, e.g. "Our IT system is sometimes slow."

KEY QUOTES

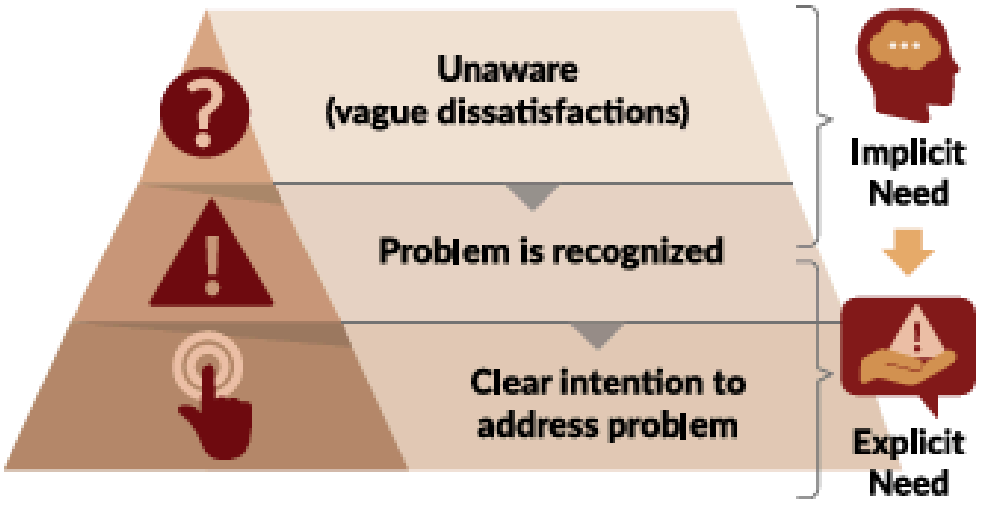
"Purchase price is one factor that increases caution, but fear of making a public mistake may be even more important."

"In a large sale, product and seller may become inseparable in the customer's mind."

- *Problem is recognized but not yet actionable (Implied Need)*: The buyer is aware of the challenges and feels dissatisfied with the situation, but has not decided to take action yet, e.g. "Each time the system crashes, orders are delayed."

- *Actionable wants (Explicit Need)*: The buyer expresses a clear intention to change the situation or address the problem, e.g. "We need a faster system to process orders on time."

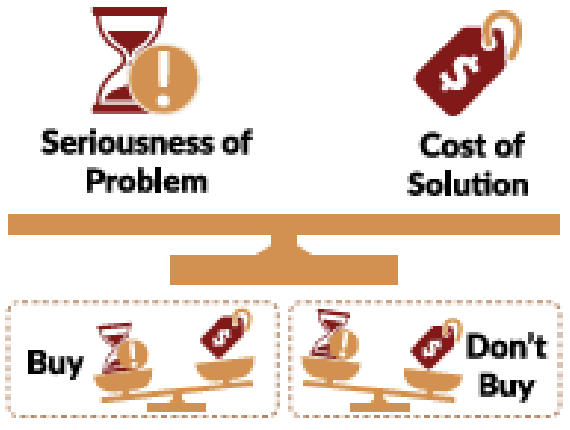
3 Stages of Needs Evolution



- In small sales, these stages can unfold almost instantly, and both implied and explicit needs can lead to a close. In major sales, the salesperson must guide this process to *transform implied needs into explicit ones* because (i) only explicit needs predict sales, and (ii) such needs can take months or even years to develop.

To make a purchase decision, buyers balance 2 opposing forces in the Value Equation:

The Value Equation



- *Cost of solution*: The higher the price, the greater the hesitation to buy.

- *Seriousness of problem*: The more urgent or painful the issue, the stronger the motivation to buy.

- Small sales can be impulsive, driven by relatively minor implied or explicit needs. However, in major sales, buyers need to perceive the problem as serious enough to *justify a significant investment*.

  - For example, a company facing occasional IT outages might hesitate to spend $150,000 on a new system. However, if they realize that the system crashes are leading to missed

KEY QUOTES

"The purpose of questions in the larger sale is to uncover Implied Needs and to develop them into Explicit Needs."

"The building of perceived value is probably the single most important selling skill in larger sales."

"In larger sales, Implied Needs don't predict success, but Explicit Needs do. In smaller sales, both Implied Needs and Explicit Needs are success predictors."

"The SPIN questions provide a road map for the seller, guiding the call through the steps of need development until Explicit Needs have been reached…And the more Explicit Needs you can obtain from buyers, the more likely the call is to succeed."

deadlines and customer losses worth $500,000 annually, a $150,000 system suddenly seems very compelling. The SPIN strategy uses structured questions to uncover Implied Needs and develop them into Explicit Needs.

In short, success in large sales call for a drastically different approach than small sales, due to several factors:

Aspect	Small Sales	Large Sales
Needs and Duration	Needs are identified and addressed quickly, often in 1 session.	Needs take time to surface and develop, often over multiple discussions or meetings.
Decision-Makers	One person makes the decision alone.	Multiple stakeholders must agree to the decision.
Emotions vs Logic	Decisions are often emotional or impulsive.	Decisions must be rationally justified.
Risks	Low risk or impact from a bad purchase.	High risk (e.g. loss of money and reputation) from a bad purchase.

SPIN Selling and the Sales Process

Almost every sales call—large or small—follows 4 distinct stages. However, the length and importance of each stage varies depending on the complexity and value of the sale.

- *Preliminaries*: These are the warm-up events at the start of a sales conversation. First impressions matter more for small sales and become less crucial in larger sales.

- *Investigating*: This is the most crucial stage for larger sales, and it's essential to ask effective questions to uncover facts, information, and needs, so as to tailor your solution to the customer's problems.

- *Demonstrating capability*: This is about showing how your solution can address the customer's needs and add value.

- *Obtaining commitment*. In smaller sales, this often means closing the deal. But for major sales, commitments are about advancing the sales process, which can include a follow-up meeting, a product trial, or access to a decision-maker.

KEY QUOTES

"In the early stages of an interaction with another person, we're usually so overloaded with information that we either don't notice, or we quickly forget, some quite obvious things."

Preliminaries: Opening the Call

These are the warm-up events at the start of a sales conversation. In major sales, the goal of an introduction is to set the right tone and prepare the buyer to answer questions in the Investigating phase.

Successful sellers focus on these core strategies:

- *Introduce yourself and your purpose* without going into product details. Establish: (i) who you are, (ii) why you're there, and (iii) why you should be asking questions.
- *Get to the point* with a direct, professional approach. Avoid lengthy introductions, excessive small talk or pleasantries. First impressions matter more for small sales than larger ones.
- *Don't talk about solutions too early*: If you open with benefit statements or product pitches before fully understanding the buyer's problems, it can trigger objections and derail the sales process.
- Focus on *preparing thoughtful, customer-centric questions*, rather than rehearsing the "perfect" opening.

Investigating Customer Needs with the SPIN Strategy

The goal of the Investigating stage is to uncover and clarify customer needs through structured questions.

- It is *the most critical stage in major sales* because it:

KEY QUOTES

"The common factor of most good openings is that they lead the customer to agree that you should ask questions."

"Early in the call you want to establish your role as the seeker of information and the buyer's role as the giver."

(i) Helps sellers understand real customer needs (rather than assuming them);

(ii) Makes buyers feel heard and understood; and

(iii) Sets the stage for tailored solutions that increase the chances of closing the sale.

Rackham's research showed that the top sellers used structured questions to move the discussion from Implied to Explicit Needs.

- Traditional sales methods focus on probing with *open and closed questions*. Open questions involve detailed responses ("Can you tell me about your current IT system?") while closed questions have a yes/no answer (e.g. "Do you manage your IT systems in house?"). However, the research found no link between the use of open/closed questions and sales success.

- The real difference comes from asking *purposeful, customer focused questions*—and that's where the SPIN strategy comes in.

SPIN questions—Situation, Problem, Implication, and Need-payoff—offer a structured approach to transform implied needs into explicit ones, increasing the likelihood of success in major sales.

- *Situation Questions* help to gather info on the customer's current situation, e.g. "How are your current processes managed?" or "Who is usually involved in decisions on new tech solutions?"

  - Top salespeople do their homework in advance to avoid excessive fact-finding that can bore or frustrate buyers.

- *Problem Questions* identify specific challenges, dissatisfactions, or pain-points, e.g. "Is this process causing delays or inefficiencies?" or "How often do you experience issues with data security?"

  - These are strongly linked to success in smaller sales. While they're less powerful in major sales, they invite buyers to share Implied Needs, and help to probe for problem areas that your product/service can address.

KEY QUOTES

"There's no doubt about it, questions persuade more powerfully than any other form of verbal behavior."

"The more you ask questions, the more successful the interaction is likely to be. And some types of questions are more powerful than others."

"If you can't uncover any problems to solve, you don't have a basis for a business relationship."

"Problem Questions...provide the raw material on which the rest of the sale will be built."

- *Implication Questions* highlight the consequences of the problems, e.g. "How do delays affect your delivery times and customer satisfaction?"
  - They help buyers to see the broader impact of their problems, increase the perceived value of your solution, and build urgency to solve the issue.

- *Need-payoff Questions* focus on the positive outcomes of solving the problem, encouraging the customer to articulate the value and benefits of your solutions, e.g. "Would faster processing times help you retain more customers?"
  - Use prompts like "Why is that important?" or "Would it be useful if...?" Such questions help buyers to "sell" the solution to themselves, thereby reducing objections and reinforcing the perceived value of the solution.
  - Buyers might also highlight nuances or complexities that you might not be aware of. This process also helps them to rehearse the points to explain/sell your solution more effectively to other internal stakeholders.
  - Unlike Implication Questions (which build up the seriousness of the problem), Needs-payoff Questions focus on solutions to make the conversation more positive and constructive. However, (i) don't ask the questions too early in the call before you've fully explored the customer's problems and their impact, and (ii) make sure you only ask Need-payoff Questions where you can offer a solution.

Although the SPIN Model is often used sequentially, it is *not* a rigid formula. The key is to be flexible, adjusting your approach and sequence as required to help the buyer move from Implied to Explicit Needs.

Prevent objections, instead of merely handling them:

- Traditional sales training focuses on using rebuttal techniques for *objection handling*. However, these only address the symptoms of objections, not the causes. Research shows that frequent objections actually *reduce* sales success.
- Customers raise objections when their needs are insufficiently addressed, or when solutions are offered before the buyer fully recognizes the problem's seriousness. You can *prevent objections* by addressing these root causes:

KEY QUOTES

"Implications are the language of decision makers, and if you can talk their language, you'll influence them better."

"Customers react more positively if they are treated as the experts...get the customer to explain to you which elements of the problem your solution can solve."

"Success in large sales depends on internal selling by customers on your behalf, and Need-payoff Questions are one of the best ways to rehearse the customer in presenting your solutions convincingly to others."

"If you can get the customer to tell you the ways in which your solution will help, then you don't invite objections."

"Make no mistake about it, the more objections you get in a call, the less likely you are to be successful."

"Objection prevention turns out to be a superior strategy to objection handling."

(i) Don't offer solutions too early, before you've used the SPIN questions to build strong needs explicitly. Use Implication Questions to build up the perceived seriousness and urgency of the problem, and use Need-Payoff Questions to increase the perceived Benefits and value of a solution.

(ii) However, address any genuine concerns that your product/service might not meet the buyer's needs.

Demonstrating Capabilities by Showing Benefits

The goal of this stage is to show how your solution specifically addresses the buyer's Explicit Needs and delivers measurable value.

- Do *not* start on this stage until you've finished the Investigating stage to uncover and develop needs, and the buyer genuinely wants a solution.

Differentiate between features, advantages and benefits.

- *Features* are facts about a product, e.g. "1TB of storage". Generally, they have no real impact on sales (big or small) unless they are linked to specific customer needs. In fact, presenting too many features often leads to price concerns.

- It's generally more effective to explain how the features can help the buyer. In this regard, SPIN Selling differs from traditional selling by further splitting this into 2 categories: *Advantages vs Benefits*.

  - *Advantages* describe how the product/service could help the buyer in general terms (e.g. "With 1TB storage, you'll never run out of data space."). However, they are based on Implied Needs, and might not be relevant to the customer.

  - *Benefits* describe how the product/service specifically addresses Explicit Needs expressed by the customer.

In major sales, the key to success is to present specific benefits linked to the buyer's Explicit Needs. This was found to increase major sales success by 27%.

- Wherever possible, *provide measurable outcomes* to reinforce the value of your solution, e.g. "reduce downtime by 25%."

KEY QUOTES

"Curing a selling problem, just like curing a disease, rests on finding and treating the cause rather than the symptoms."

"Features are low-power statements that do little to help you sell. It's better to use Benefits than Features."

"Advantages are less powerful than Benefits all through the selling cycle. It never pays to offer an Advantage if you can go that bit further and offer a Benefit."

"Do a good job of developing Explicit Needs and the Benefits almost look after themselves."

- Avoid discussing *features or vague advantages* that aren't directly linked to buyers' expressed needs—these are useful in small sales, but are ineffective for major sales.

To demonstrate capability effectively in major sales, build Explicit Needs before offering solutions with 3 key strategies:

- *Don't offer solutions too early in the conversation*. For small sales, it's ok to present solutions right after spotting a problem. For large sales, use Implication and Need-payoff Questions to develop Explicit Needs first, as it will make your solution more relevant and compelling.

- *Don't confuse Advantages with Benefits*. Avoid general claims that sound helpful but don't relate to the buyer's unique challenges. Only highlight what's relevant to their Explicit Needs.

- When *launching new products*, don't overload buyers with Features and Advantages. Focus on the customers' problems, and plan your SPIN questions before pitching your product.

KEY QUOTES

"If you can get your customers to say, 'I want it,' it's not difficult to make a Benefit by replying, "We can give it to you."

"Closing techniques, like all forms of pressure, become less effective as decision size increases."

Obtaining Commitment: Securing Next Steps

The goal of this stage is to secure a specific, actionable commitment that moves the sales process forward.

- Traditional closing techniques—such as assumptive closes, alternative closes, or last-chance closes—can be effective in smaller sales where the goal is to speed up the transaction. In major sales, *avoid pushy closing methods* as they erode trust and reduce the likelihood of a final sale.

- Success in large sales comes from understanding the buyers' decision-making processes, and *guiding them step by step* toward a meaningful agreement, based on their level of readiness.

- In small sales, the goal is often to close sale in a single call. But in major sales, there are *4 possible outcomes*:

  (i) Order: The customer commits to a purchase. For large deals, this rarely happens in the first meeting(s).

"Most people are less satisfied with decisions that they feel they've been pressured to make than with those which they believe they've made entirely of their own free will."

(ii) Advance: The customer takes a significant step forward, such as agreeing to a product trial, meeting a decision-maker, or scheduling a follow-up call.

(iii) Continuation: The customer expresses interest but takes no concrete action, e.g. saying "We'll consider this and get back to you" without specific steps or deadlines. There's no real progress and the sales call has failed.

(iv) No-Sale: The customer decides not to proceed, i.e. there will be no chance of doing business with them.

- *Advances are the most critical outcomes* in major sales, and your goal is to secure a meaningful commitment based on the buyer's readiness to proceed.

Focus on understanding the buyers' decision-making processes, and guiding them step by step toward a meaningful agreement using 4 specific actions:

- Spend more time using SPIN questions to *investigate needs customers' and demonstrate capability*, rather than trying to close the sale. Once buyers recognize their own needs and the value of your solution, they often close the sale themselves.

- *Summarize the key Benefits* in relation to the buyer's expressed needs. Link your solution directly to the problems and consequences uncovered during the sales call, e.g. "So far, we've seen how automating this process can reduce downtime by 40% and improve delivery speed by 30%."

- *Check explicitly for unresolved concerns* by asking questions like, "Are there any points you'd like me to clarify before we move forward?" Don't push for a commitment until you know the buyer is confident your product can solve their problems.

- *Propose the next step*: Instead of asking "Do you have any other questions?" suggest a clear action to guide the buyer forward, e.g. "The next step would be to schedule a product demo with your IT team." Choose the highest level of commitment based on the buyer's readiness.

KEY QUOTES

"Whether a call has been successfully closed should be judged by customers' actions, not by their words."

"Successful sellers never push the customer beyond achievable limits."

"If you can convince buyers that they need what you are offering, then they will often close the sale for you."

"I've never been a believer in closing, because my objective is not to close the sale but to open a relationship."
—Hans Stennek, Consultant

Applying SPIN Selling Approach

The only way to translate the theories and insights into results is to apply them in real-life, using consistent practice and continuous learning to master the skills and techniques.

Master the SPIN questions in sequence, progressing from simpler steps to tougher ones:

- Start by *asking any type of question* for a few weeks, until you feel as comfortable asking questions as making statements.
- Next, *master Problem Questions* by asking at least 6 questions per call to uncover problems and pain-points.
- Then, move on to *Implication Questions*. Using past customer cases, imagine your customer saying "So what?" then craft questions to draw out serious consequences.
- Once you're comfortable with the other 3 types of questions, move to *Need-payoff Questions*: Instead of pitching benefits to your customers, ask questions like: How would this help you? What do you see as the pluses of this approach? Is there any other way our product could be useful?

Use these 4 golden rules to develop skills in each area:

- *Practice just 1 behavior at a time*. For example, practice asking Problem Questions until you're comfortable, then move on the next action.
- *Practice in safe situations*, such as internal role-plays or with low risk customers, until you're confident of the skill. Do not practice in high-stakes sales meetings or situations.
- All new behaviors feel awkward initially. *Practice a new behavior at least 3x* before deciding if it works for you.
- *Focus on quantity before quality*: Don't worry about perfection initially. Go for quantity first—with enough practice and repetitions, quality will improve naturally.

Improve continuously with the Plan-Do-Review cycle:

KEY QUOTES

"There's no easy way to convert theoretical models into practical skills...No book on selling will, of itself, improve your selling skills, any more than reading a book about swimming will teach you how to swim."

"The first time you try anything new, it's bound to feel uncomfortable. It's not only new shoes that hurt at first."

"Use the new behavior often enough and the quality will look after itself."

- *Plan ahead*: Before a sales call, think through customer problems and their potential consequences, and craft powerful questions in advance. Specifically:

  (i) Identify at least 3 customer problems your product can solve, framing them as *Problem Questions*, e.g. "Is system downtime causing delays in customer service?"

  (ii) Prepare *Implication Questions* by zooming in on key problems the customer might face. Think about the related difficulties each problem could cause, then craft questions to emphasize the problem's seriousness, e.g. "What would happen if your team couldn't process transactions during peak hours?"

  (iii) Practice *Need-Payoff Questions* with friends, colleagues, or family members. Use relatable topics (e.g. buying a car or planning a trip) and aim to get them excited about potential benefits using those questions.

- After each sales call, *review* if you've achieved your goals, what you learned, and how you can apply the insights in the future. Zoom in on the specifics; don't settle for generic reflections like "It went well."

Other Details in the Book to Look out For

This book is packed with information about the extensive research done by the Huthwaite team, with real-world sales data and examples of traditional sales methods vs the SPIN Selling approach. It also includes appendices with details on the SPIN Model research and a Closing-Attitude Scale. For more details and resources, please visit huthwaiteinternational.com.

About the Author

Neil Rackham is a British psychologist, author, and consultant, best known for his pioneering research in sales and marketing. Rackham earned a bachelor's degree in

KEY QUOTES

"We've put thousands of sales calls under the microscope to isolate some of the detailed behavioral elements that bring success in the major sale. Use the results of our research to examine, develop, and improve the minute particulars of your selling skills."

psychology from the University of Sheffield in 1966 and continued as a postgraduate research fellow, focusing on interpersonal skills in negotiation and selling. In the 1970s, he led one of the largest research studies on sales effectiveness, leading to the SPIN Selling methodology that revolutionized consultative selling practices.

KEY QUOTES

- *Strengthening cybersecurity and risk management* by investing in advanced cybersecurity technologies, training employees on data security best practices, and collaborating with industry experts to stay ahead of evolving threats.

- *Ethical decision-making and governance*: Establish ethical frameworks that guide AI and data-related decisions at all levels, such as ethical review boards to oversee AI projects, organization's strategic goals.

Navigating Leadership Challenges

Despite the massive potential of AI, most leaders and managers today are still using frameworks suited to a pre-AI world. Many of them lack the knowledge and flexibility for AI-driven business models, leading to a **gap between business potential and managerial approaches**.

Leaders of AI-powered firms must focus on **4 key pillars**, each requiring distinct skills and strategies:

- Leaders must guide their organizations through *continuous transformation* in face of rapid changes. This goes beyond digital upgrades to include a rethinking of business models, operations, and strategies. Leaders must create agile teams, flexible structures, overcome resistance to change, build technical expertise, and transform the organizational culture.

- *An entrepreneurial mindset* is essential for all types of companies today, not just startups. Leaders must foster a culture of innovation and agility, where people embrace ambiguity, experimentation, risk-taking, and data-driven decision-making.

- Leaders must also understand and influence the evolving *regulatory landscape* around AI and data. This includes navigating complex AI-related laws and policies, and balancing the need for innovation and compliance.

- Leaders are also responsible for building a strong, trusting relationship with customers, stakeholders, and the broader *community*. They must ensure that AI technologies not only address business goals, but also benefit society as a whole.

KEY QUOTES

"Most platform companies [seek] to shape and control its ecosystem and make sure that its tools and technologies do not cause harm. But how to properly exercise such control is not at all obvious."

"In contrast with the current wealth of data, analytics, and AI, we still appear to be suffering from a shortage of managerial wisdom."

"Managers will have their work cut out for them, as they reflect on their evolving role in our increasingly digital economy."

"Transformation…starts at the top, with motivating and grooming a generation of leaders to do the hard work involved."

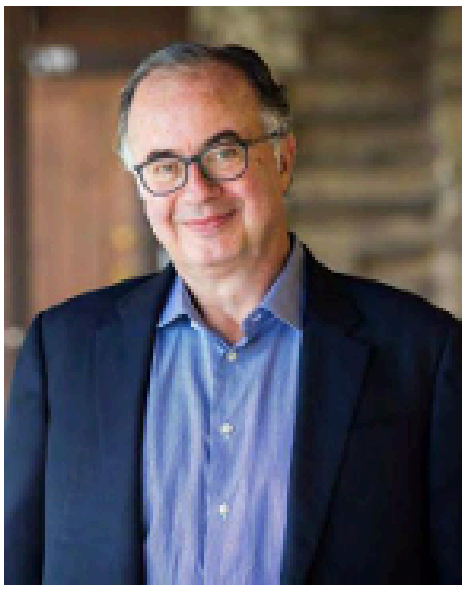
"Transformation does not apply only to traditional firms…every hub company must transform to survive and must do so repeatedly."

In this era, no single leader or individual can navigate the complexities of AI and digital transformation alone. Instead, we need **collective intelligence**—to leverage insights from teams, communities, and AI itself. This in turn requires: a learning and collaborative culture, diversity and inclusion, transparent decision-making, and balancing AI's analytical capabilities with human creativity and intuition.

Other Details in the Book to Look out For

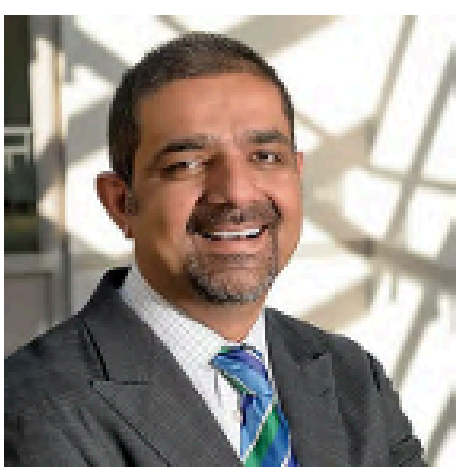
AI is here and it's already transforming every aspect of the business landscape. To thrive, we must learn to ride the wave of innovation. This book includes detailed case studies ranging from fitness to grocery delivery and finance, with critical insights and frameworks on how to adapt and thrive in the age of AI. For more details, please visit www.ageof.ai.

About the Authors



Marco Iansiti is a professor at Harvard Business School, specializing in the impact of artificial intelligence and digital transformation on business strategy and operations. He has numerous books and articles on innovation, technology, and strategy, and his research has shaped how leaders think about data-driven decision-making and the role of digital platforms in creating competitive advantage.

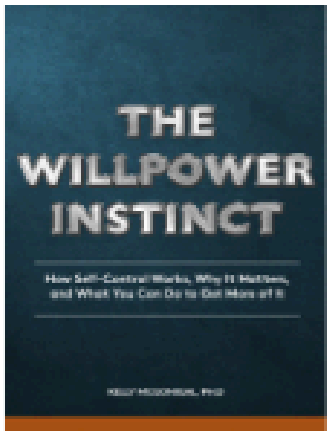
Karim R. Lakhani is a professor at Harvard Business School, where he leads research on AI, digital innovation, and crowdsourcing. He is well-known for his expertise in technology-driven entrepreneurship and the development of AI-based strategies for companies across industries.



KEY QUOTES

"We must find wiser ways to lead the increasingly digital firm...we must find better ways to manage the new assets and capabilities that are being created and deployed, every day, across every organization."

"There is no longer a rationale for staying behind, doubling down on old strengths and capabilities, and ignoring the emergence of a new operating model that is overwhelming every major sector of the economy... No organization should be standing still."



THE WILLPOWER INSTINCT

How Self-Control Works, Why It Matters,
and What You Can Do to Get More of It

KELLY MCGONIGAL, PH.D

The Big "So What"

All of us missed goals at some point because we gave in to distractions or temptations, or failed to do what we should. Willpower failures are *not* a sign of personal weakness, but the result of several physical, mental-emotional and social factors. This book explains willpower using insights from economics, psychology, neuroscience, and medicine, with a range of tips and strategies to help you overcome distraction, temptation and procrastination.

Introduction

Willpower is the ability to exercise self-control when you need it. To improve your self-control, you must understand why you lose control and what you can do about it. This book is based on the popular course "The Science of Willpower" by Stanford University psychologist and educator Kelly McGonigal. The book mirrors her 10-week course, with each chapter covering (i) a key scientific insight and (ii) practical exercises/strategies to help you develop self-awareness and address real-life challenges.

McGonigal recommends that you approach the ideas like a scientist.

> **Willpower Exercise:** Choose a *willpower challenge* you've been trying to overcome. Then, try out each of the strategies below. Collect data and figure out what works (or doesn't work) for you.

KEY QUOTES

"Most people feel like willpower failures—in control one moment but overwhelmed and out of control the next."

"Self-knowledge—especially of how we find ourselves in willpower trouble—is the foundation of self-control."

"You can—and should—make yourself the subject of your own real-world study."

Understand and Improve your Self-Control

What Is Willpower and Why It Matters

Willpower is much more than the ability to say "no" to temptation. It comprises 3 powers to help you become better:

- "*I will*" power: Doing things that improve your quality of life;
- "*I won't*" power: Not doing things that impairs your happiness, well-being or success; and
- "*I want*" power: Focusing on your most important long-term goal.

In short, self-control is about finding your motivation at the right time. It's about remembering what you truly want so you can do what you should and resist what you shouldn't.

Willpower matters. All of us have the capacity for self-control, but how far you use it determines your physical health, financial stability, academic and professional success, quality of relationships, and levels of stress and happiness.

Willpower Is Affected By Your Brain

We struggle with self-control because we literally have multiple minds, each with conflicting thoughts, feelings, and goals.

- The *prefrontal cortex* in our brain controls logical thinking and what we focus on. It has 3 different regions:

  (i) The *left side* helps you to start and persist in tasks ("I will").

  (ii) The *right side* helps you to resist acting on every impulse ("I won't").

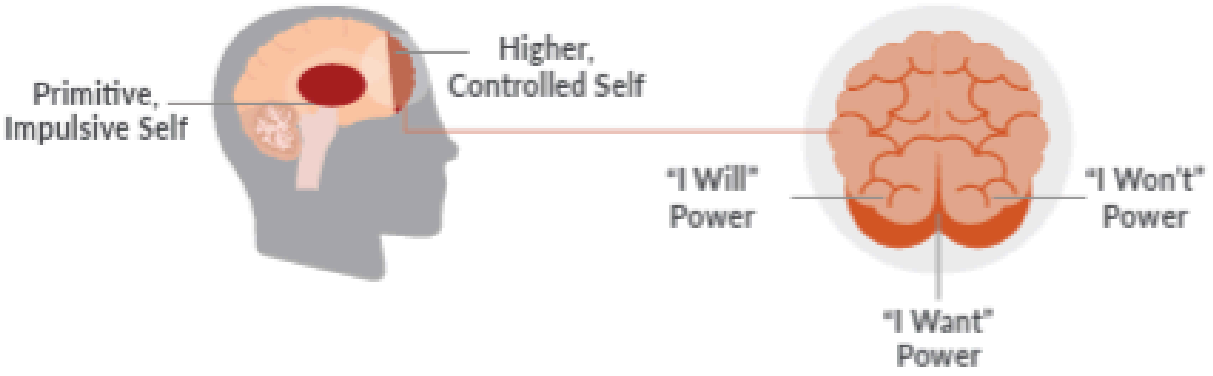
  (iii) The *lower-middle area* helps you to track your goals and desires ("I want"). When these cells are firing rapidly, you're more motivated to take action or resist temptation.

KEY QUOTES

"Willpower is actually three powers…that help us to be a better version of ourselves."

"People who have better control of their attention, emotions, and actions are better off almost any way you look at it."

"When it comes to self-control, we've seen that the human mind is not one unified self, but multiple selves who compete for control."



- The prefrontal cortex is built on top of the more *primal part* of our brain that acts on urges and instincts. These impulses evolved to help us survive, e.g. we prefer sweet and fatty foods because they give us energy, and our feelings (e.g. fear or disgust) stop us from doing things to hurt or isolate ourselves.

- In short, part of our brain seeks to feel good *now*, while another part manages the impulses so we can achieve *long-term goals*. The 2 minds are in a *constant battle*. We want a slim body but we also want to enjoy a cookie. We want to excel in our exams and but we also want to watch TV.

- When we're *drunk, exhausted or distracted*, the prefrontal cortex loses part of its capabilities, making it harder for us to exert self-control. Students trying to remember a telephone number are 50% more likely to choose chocolate cake over fruit, and distracted shoppers are more likely to buy promotional items that aren't on their shopping lists.

Willpower Exercise: Consider what makes your willpower challenge difficult. What do you feel when you think about it?

To strengthen your willpower, you need to develop self-awareness. Understand your impulses and recognize when you must exercise self-control, so you can activate your prefrontal cortex to make conscious choices instead of defaulting to the easiest option.

Willpower Exercises:

- What do your *2 selves* (impulsive vs wise selves) want to do?
- *Track your choices*. At least once per day, consider the choices you've made. Which choices support or undermine your goal? What was happening when you made those choices (e.g. were you distracted or tired)?

KEY QUOTES

"While we all have the capacity to do the harder thing, we also have the desire to do exactly the opposite."

"While we're stuck with the impulse, we're also equipped with the impulse control."

The more you exercise your prefrontal cortex, the bigger, faster and stronger it gets (just like how physical muscles are built). Meditation increases blood flow to the prefrontal cortex to improve your focus and self-control.

Willpower Exercise: Do *5 mins of brain-training meditation* daily. Sit still and focus on your breath. Think "inhale" and "exhale" as you breathe. Notice when your mind wanders, and just refocus on your breathing. Don't fidget! You're training yourself not to act on every impulse, to activate your prefrontal cortex and quieten the stress/craving centers.

Willpower Is Affected By Your Body

Scientists have found that self-control is more about physiology than psychology. This means that you can train yourself to get into an ideal physiological state for self-control.

- When you're facing a real external threat (e.g. a robber in an alley), the primal brain triggers the *fight-or-flight response*. Your prefrontal cortex is inhibited so you can act without overthinking, your body releases hormones to unlock energy and your heart pumps harder to send blood and oxygen throughout the body to help you survive.

- When you're facing a temptation (e.g. a delicious cheesecake), your body also reacts physically. Your attention is focused on the cake, your heart rate increases and your blood sugar level falls as your body anticipates the sugar rush. However, once you realize that you're dealing with an *internal conflict* (not a real threat), you can calm the brain/body and dampen the impulses.

Willpower Exercise: *Name the impulse* that you must control to succeed in your willpower challenge (e.g. the "cookie monster" that can't resist cookies, or "the critic" who keeps complaining).

Psychologist Suzanne Segerstrom found that self-control comes with an opposite physiological state from stress. She calls this the pause-and-plan response.

KEY QUOTES

"Willpower is a biological instinct, like stress, that evolved to help us protect ourselves from ourselves."

"The perception of an internal conflict triggers changes in the brain and body that help you slow down and control your impulses."

"Like the fight-or-flight response, the pause-and-plan response begins in the brain."

- Pause-and-plan is about *slowing down* so your prefrontal cortex can step in to calm your breathing/heart rate, relax your muscles, and redirect energy to the brain. This allows you to think clearly and calmly, refocus on your long-term goals and explore options instead of acting on impulse.

- Your *heart rate variability* is one of the best indicators of how stressed or calm you are.

  (i) Under normal circumstances, your heart rate varies naturally, e.g. it increases slightly when you inhale and decreases when you exhale. When you're stressed, your heart rate goes up and stays up (i.e. variability decreases).

  (ii) People with higher heart rate variability are more likely to delay gratification, resist distractions, persevere in face of difficulty or failure, and cope with stressful situations.

- To exert self-control, first *calm your body*, decrease your heart rate and increase its variability.

Willpower Exercise: Before facing a willpower challenge, *slow down your breathing* to just 4-5 breaths per minute (or 10-15s per breath). Do this for 1-2 minutes to activate your prefrontal cortex, increase your heart rate variability and put yourself in a physiological state of self-control.

Basically, anything that reduces stress also improves your willpower reserve. This includes exercise, adequate sleep, a sound diet, quality time with family/friends, and spiritual practices.

Willpower Exercise: Observe what happens when you're stressed. Are you more likely to lose self-control or procrastinate?

- There's now extensive research to show that *exercise* helps to increase focus and self-control in all aspects of life. Participants in a study had less cravings after just 15 min on the treadmill. In the long-term, exercise also increases baseline heart rate variability and the growth of gray/white matter in the brain to make your brain bigger and faster.

KEY QUOTES

"Stress is the enemy of willpower."

"Exercise turns out to be the closest thing to a wonder drug that self-control scientists have discovered."

Willpower Exercise: Do *5min of green exercise*, i.e. physical activity done outdoors in nature. Or, opt for any non-sedentary activity that you enjoy, e.g. walking, gardening, dancing.

- *Sleep deprivation* makes your more vulnerable to stress and temptations. When you're tired, your cells can't absorb glucose as effectively and become under-fueled. A lack of sleep (<6 hours a night) impairs your prefrontal cortex to reduce focus and self-control. Prolonged lack of sleep also increases your stress hormones and decreases heart rate variability.

Willpower Exercise: Aim for *8hrs of uninterrupted sleep* every night, or minimally take a short nap daily.

- *Choose your willpower challenges carefully*. Don't try to control everything, or you'll run out of energy/focus and feel chronically stressed.

Willpower Exercise: Restore your willpower reserve by taking a few minutes to *relax*. Lie down and breathe deeply for 5-10 min to give your brain/body a complete break.

Willpower Works Like Muscles

Our willpower follows the same use-it-or-lose-it rule as physical muscles. It becomes weak with neglect, can get exhausted from non-stop use, but can also be strengthened with proper training. Learn to pace yourself: alternate between pushing your limits and recovery.

Once you exhaust your **limited willpower reserves**, you become more susceptible to temptations and bad decisions. Smokers who don't smoke for 24 hours are more likely to binge on ice cream, and people who diet are more likely to cheat on their spouses.

- Our self-control is the highest in the morning and gradually *depletes throughout the day* with every conscious choice and activity we undertake. Aim to:

KEY QUOTES

"To preserve both your health and happiness…you will have to choose your willpower battles wisely."

"Self-control is like a muscle. It gets tired from use, but regular exercise makes it stronger."

"We cannot control everything, and yet the only way to increase our self-control is to stretch our limits."

(i) Start the day with the hardest or most important challenge;

(ii) Periodically replenish your willpower reserves; and

(iii) Build your overall willpower capacity.

Willpower Exercise: Observe how your willpower levels fluctuate throughout the day and week. Plan your schedule to avoid temptations when your self-control is at its weakest.

- Self-control requires *energy*. Participants in a study were given a series of self-control tasks. Those who received a sugared drink to restore blood sugar showed improved self-control compared to those who received a drink with artificial sweeteners. The absolute blood sugar level isn't as vital as the direction of change—when the brain detects a drop in blood sugar, it starts to conserve energy, leaving less mental resources for self-control.

Willpower Exercise: Maintain your blood sugar level with a low-glycemic diet (e.g. lean proteins, nuts/beans, high-fiber grains/cereals, fruits and vegetables).

During endurance sports, you start to feel tired before your body is truly fatigued. Athletes routinely push past this initial fatigue to perform closer to their real physical limits. Likewise, our brain starts to conserve mental energy *before* our willpower reserves are truly depleted. You can transcend your initial mental exhaustion with the right motivation:

- Students who were too tired to finish their tasks suddenly had the will to do so when they were given *new incentives*.
- A young woman couldn't stop shouting at her kids even though she tried to be a good mother. Once she realized that her *true motivation* was to enjoy parenthood (not to be a model mum), she was able to change how she engaged her kids.

Willpower Exercise: Find your biggest want and use it as a source of motivation whenever you need a willpower boost.

Build your self-control muscles like how athletes build muscles:

KEY QUOTES

"If we want to strengthen self-control, we may need to think about how we can best support the most exhausted version of ourselves—and not count on an ideal version of ourselves to show up and save the day."

"Fatigue should no longer be considered a physical event but rather a sensation or emotion."
—Timothy Noakes

"Sometimes our strongest motivation is not what we think it is, or think it should be."

"When there's a want, there's a will."

- *Control 1 small thing* that you don't normally control.

Willpower Exercise: *Flex your self-control muscle*:

- I Won't: Stop doing something you usually do, e.g. refrain from swearing or using your dominant hand.
- I Will: Do something daily that you don't normally do, e.g. helping someone, meditating for 5 minutes.
- Self-Monitoring: Track something you don't usually pay attention to, e.g. daily expenses, time usage.

- Routinely *push your limits*:

Willpower Exercise: The next time you feel too tired for self-control, just push yourself 1 step beyond the point of fatigue.

Moral Licensing Can Cause Self-Sabotage

We tend to moralize willpower, i.e. we think we're "good" if we succeed at a willpower challenge and "bad" if we fail. This triggers mental traps which increase the risks of self-sabotage.

When we think we're "good", we trust our impulses (including the bad ones) or tell ourselves that we deserve a treat. So, the more we do something "good" or moral, the more we may to do something "bad" or immoral later. Psychologists call this moral licensing.

- Thinking of *past or potential virtues* can lead to less virtuous behavior. When people were asked to recall a time they acted generously, they gave 60% less to a charitable request compared to a control group. Even when people were asked to consider donating money to charity (without actually donating it), they became more likely to treat themselves later.

Willpower Exercise: Do you associate your willpower struggles with morality? Do you indulge after being "good" and does it jeopardize your goal?

KEY QUOTES

"We can...push past the feeling of willpower exhaustion to make it to the finish line of our own willpower challenges."

"Whenever we have conflicting desires, being good gives us permission to be a little bit bad."

- Moral licensing increases when people pay a *penance* for bad behavior which erases their guilt. For example, people who pay to plant a tree may feel justified to use even more electricity. It's better to get people to engage in good behaviors that replace the bad ones (e.g. paying 10% more for green energy), since it *reinforces their identity* (e.g. "I'm someone who cares about the environment") to increase their commitment.

Willpower Exercise: Do you identify more with your long-term goals or with your short-term impulses?

- *Stop moralizing willpower struggles*. Robbing a bank or physically hurting someone may be a moral breach, but missing a session at the gym isn't.

We may feel so good about **making progress** that we reward ourselves with an indulgence that jeopardizes our goal.

- The solution is to *focus on your goal*, not the progress you've made. When students were asked to recall how they rejected a temptation in the past, they indulged themselves at the next available opportunity. However, the moral licensing effect was negated when they recalled the incident and *why* they'd resisted the temptation. By remembering your "why", you'll realize that the indulgence is not a reward but a threat to your goal.

Willpower Exercise: The next time you use progress to justify indulgence, stop and remember your "why".

The halo effect kicks in when the good feelings from 1 thing affects how we see other things. It may create the illusion that a "good" choice will cancel out a "bad" one. People who eat a salad and a burger think they're consuming fewer calories than those who're eating just a burger. Bargain-hunters may feel so good about saving money that they buy more than intended.

Willpower Exercises:

- Watch for halo effects, e.g. when you justify a vice due to a virtuous trait like "buy 1 get 1 free" or "organic".
- Use a concrete counter-measure (e.g. calories consumed, total cost, time spent) to weigh the net impact.

KEY QUOTES

"Moralizing a behavior makes us more, not less, likely to feel ambivalent about it."

"For better self-control, forget virtue, and focus on goals and values."

"When we want permission to indulge, we'll take any hint of virtue as a justification to give in."

We're overly optimistic about our ability to do the right thing in the future, e.g. we overeat now on the promise that we'll exercise later.

- Counter this by assuming that *tomorrow will be just like today* (not better). Instead of asking "Should I have this ice-cream now?" ask "Do I want to face the consequences of eating an ice-cream every day?"

Willpower Exercises:

- Do you promise to take action tomorrow to make up for today's indulgence? Do you actually follow through?
- Assume that tomorrow will be like today, and your current choice will reflect *all* future choices.

We Confuse Desire with Happiness

When our brain recognizes an opportunity for reward it releases dopamine, a neurotransmitter that focuses our attention on the potential source of reward. It concurrently releases stress hormones so we feel stressed about not having that item yet.

- A *dopamine rush* fills us with anticipation of a reward. We don't feel happy or satisfied because it doesn't actually deliver on the promise. Yet we're afraid to stop in case we lose out.

  (i) When lab rats were given access to levers that triggered brain stimulation, they ignored food and burned their feet just to keep pressing the levers. Human patients who were given a control box to stimulate their brains got so addicted that they refused to stop and eat even when they were hungry.

  (ii) We keep playing video games to get to the next victory/ level. Gamblers keep betting in hopes of the next big win. Surrounded by temptations, we can feel constantly-wanting yet never-satisfied.

- Dopamine makes you *susceptible to all sorts of temptation*.

  (i) Parkinson's disease is often treated with drugs that flood the patients' system with dopamine. This eases the

KEY QUOTES

"We wrongly but persistently expect to make different decisions tomorrow than we do today."

"Dopamine is for action, not happiness...[it brings] anticipation, not pleasure."

"Our brains mistake the promise of reward for a guarantee of happiness, so we chase satisfaction from things that do not deliver."

symptoms but creates side effects e.g. binge-eating, gambling, alcoholism or excessive sexual urges.

(ii) Shoppers who're given free samples of something sweet are more likely to buy indulgent foods or sale items, and scent marketers use smells to trigger dopamine release. Sexy models are used to promote all sorts of items.

Willpower Exercises:

- Observe your inner dopamine triggers, and how retailers and marketers lure you with the promise of reward.
- When you give in to temptation, do you feel happier or more anxious?

It's impossible to restrict/ban dopamine stimulants. However, you can reduce their impact just by being aware of their true nature.

- Learn to differentiate between *real vs false rewards*. Real rewards give you meaning and satisfaction, while false rewards leave you feeling anxious, disappointed, or unsatisfied.

Willpower Exercise: When you next indulge in an insatiable desire (e.g. shopping, snacking), do it mindfully. Does the experience match your expectations? You'll probably find that you feel unsatisfied, or need much less than expected to feel satisfied.

Use dopamine to make difficult/unpleasant tasks more appealing. When patients undergoing a 12-week therapy could participate in a small weekly lucky draw, 85% completed the therapy (compared to 20% without the lucky draw). A woman found motivation to clean up her room by using holiday music and candles to create a festive mood.

Willpower Exercise: "Dopaminize" your willpower challenge by linking it to a reward you look forward to.

Feeling Bad can Lead Us to Give Up or Give In

Often, we seek relief or distractions when we feel bad. However, false rewards like shopping or drinking only lead to

KEY QUOTES

"We fail to recognize that the object of our desire is causing both the anticipated pleasure and the stress."

"The promise of reward doesn't guarantee happiness, but no promise of reward guarantees unhappiness."

"Desire is neither good nor bad—what matters is where we let it point us, and whether we have the wisdom to know when to follow."

"Feeling bad leads to giving in, and dropping guilt makes you stronger."

feelings of guilt and self-criticism to make things worse. Women who're worried about their finances may shop more, and dieters who're upset about their weight may binge-eat.

- We avoid *thoughts of death*, which terrify us. Shoppers who were asked to think about their death made longer shopping lists and were willing to spend more on comfort food. News reports of death made viewers more responsive to luxury product advertisements. Fear also leads to procrastination, e.g. we avoid seeing the doctor or writing a will.

Willpower Exercise: Notice what you do when you feel down or stressed. When you face setbacks, do you beat yourself up with guilt and self-criticism? What scares you the most?

A willpower failure may trigger the **"what-the-hell" effect** coined by Polivy and Herman. Dieters, smoker or drinkers who give in to temptation may feel so bad that they end up eating, smoking or drinking even more ("what the hell, I've failed anyway"). The more they repeat the cycle, the worse they feel.

- *Forgive yourself* so you can stop escaping from shame/guilt and start taking responsibility and control.

Willpower Exercise: Recall a willpower failure and reframe it with self-compassion.

- Observe your inner state when you think of the failure: what words, emotions and physical sensations surface?
- Accept that all human beings lose control sometimes.
- Consider how you'd comfort a friend who's in your shoes.

Beware of **unrealistic optimism**. We feel hopeful when we set an ambitious goal to change, but feel guilty and frustrated when we fail to meet those goals/expectations.

- It's better to exercise optimistic pessimism. Commit to change, then consider what may cause you to fail, and how to overcome them. Mentally prepare yourself by visualizing yourself taking action.

KEY QUOTES

"Stress points us in the wrong direction, away from our clear-headed wisdom and toward our least helpful instincts."

"We may think that guilt motivates us to correct our mistakes, but it's just one more way that feeling bad leads to giving in."

"The motivations we understand are always easier to change than the influences we cannot see."

Willpower Exercises:

- Do you resolve to change only when you feel bad? Do you take real action or are you using fantasies to feel better?
- Apply optimistic pessimism for successful change.

Soothe yourself with proven stress-relief strategies, e.g. exercise, praying, reading, music, meditation, massage, time with friends/ family. These release feel-good chemicals like serotonin, GABA and oxytocin.

Willpower Exercises: Try the stress-relief strategies above.

Instant Gratification Blurs Our Long-Term Vision

We can't see the future clearly since we undervalue long-term rewards, underestimate future willpower failures, or fail to address our future needs. We give in to temptations since instant gratification appeals to our dopamine-induced reward system.

- The more *immediate and vivid* the reward, the more likely the primitive brain will overwhelm the prefrontal cortex. In a study, both humans and chimps were given the option to eat 2 treats instantly or wait 2 minutes for 6 treats. Both humans and chimps preferred to wait for 6 treats. Yet when the treats were placed in front of them, humans only waited 19% of the time while the chimps waited 72% of the time.
- It helps to *distance yourself* from the temptation, e.g. hide the chocolates at the back of the fridge.

Willpower Exercise: Before indulging, force yourself to wait for 10 min and think of your long-term goal. If you're a serious smoker, pause for 10 minutes whenever you feel the urge for a cigarette. If you're trying to overcome procrastination, only allow yourself to quit after 10 minutes.

Delay discounting means that a reward seems less valuable if we must wait for it. The higher your discount rate, the more likely you'll choose immediate rewards over future ones.

- You can *improve your discount rate* by weighing the current temptation against the best-possible long-term reward.

KEY QUOTES

"Optimism can make us motivated, but a dash of pessimism can help us succeed."

"Our inability to clearly see the future clearly leads us into temptation and procrastination."

"We take what we want when we want it (now), and we put off until tomorrow whatever we don't want to face today."

Willpower Exercises:

- What future rewards are you sacrificing for immediate payoffs? How much are you discounting those future rewards?
- Lower your discount rate with these steps:
  (i) Ask: what's the best-possible long-term reward?
  (ii) Imagine yourself enjoying the reward as if it's already yours.
  (iii) Are you willing to sacrifice that for a fleeting temptation?

We tend to think of our future selves like complete strangers. We imagine them to be drastically better and more capable, while their needs seem distant and unreal.

- We prioritize our present needs and make bad decisions that *burden our future selves*. Students committed 3x more time to tutor fellow students in future than right now. They even agreed to consume more of a nasty drink next semester (compared to drinking it now).
- Spend some time to "connect" with your future self and strengthen *future-self continuity*. Students who spent time interacting with their future selves (via virtual reality) were more willing to save for retirement compared those who didn't.

Willpower Exercises:

- Are you putting off important tasks for Future You to handle?
- Get to know your future self:
  (i) Imagine the future you, making it as vivid as possible.
  (ii) Send an email to your future self, describing what you're doing now to meet his/her goals and dreams.
  (iii) Visualize how your ideal future self would feel, look and behave. Use that as a motivation to change.

Pre-commit yourself so you have no choice but to move ahead:

- *Create a default* while you're feeling calm and objective e.g. prepay for a healthy meal plan, or forbid withdrawals from your savings account until you've reached a specific milestone.

KEY QUOTES

"We put off what we need to do because we are waiting for someone else to show up who will find the change effortless."

"The more real and vivid the future feels, the more likely you are to make a decision that your future self won't regret."

- Make it *hard to reverse* your decision, e.g. don't bring your credit card when you go shopping.

- Motivate your future self with *rewards or penalties*. You can also get someone to hold you accountable.

Willpower Exercise: Pre-commit your future self.

Willpower is Affected by Social Influences

Social influence affects our personal choices and self-control. Scientists Nicholas Christakis and James Fowler found that obesity spreads like an epidemic. When a friend becomes obese, it increases your future risk of obesity by 171%. The same patterns are found in drinking or smoking.

Human brain cells contain mirror neurons to help us interpret and understand others' thoughts and feelings. If you see someone slicing her finger with a knife, you'll wince as if you were being cut. Likewise, we "catch" others' willpower successes and failures due to 3 social responses:

- *Unintentional mimicry*: we subconsciously mirror others' actions, e.g. you may unthinkingly reach for a drink when you see someone else doing so.

- *Emotional contagion*: we get infected by others' moods, which in turn affects how we respond to temptations.

- *Goal contagion*: You may decide to get an MBA or learn a new hobby after reading about someone else's experience.

Willpower Exercise: Consider the behaviors/habits you've caught from the people closest to you (and vice versa). Do others in your social network share your willpower challenge?

(i) The influence is bigger when you share a close relationship, like and identify with the person, or share the desire at some level. Since we hold conflicting goals in our minds (e.g. to indulge in sweets yet stay healthy), it's easy to get tipped in one direction.

(ii) We're more likely to be infected with self-indulgence than self-control, e.g. to splurge rather than to save.

KEY QUOTES

"Both bad habits and positive change can spread from person to person like germs, and nobody is completely immune."

"Social closeness matters more than geographic closeness."

(iii) We're also infected by what we infer from others' actions, e.g. if we see others flouting the rules, we may assume it's ok to loosen our self-control in all areas.

Willpower Exercises:

- Think of a positive role model for a willpower boost.
- At the start of each day, think about your goals and what could get in the way. You can immunize yourself against negative goal contagion just by being aware of it.

Social proof refers to our tendency to emulate others' actions, e.g. we choose the most popular dishes or watch the highest-rated movies. You're more likely to pay your taxes on time or conserve energy if you believe that everyone is doing it. Your perception matters more than what others actually think/do.

- We're motivated by our desire for approval or acceptance. So, the best way to inculcate willpower is to exert *positive social pressure*: (i) spread the belief that it's normal to exercise self-control and (ii) surround yourself with people who're doing the "right thing".

Willpower Exercise: If you're using "everyone is doing it" to justify an action, challenge the perception or switch to a tribe with more positive norms.

- *Social shaming* may be used to deter unwanted behaviors, but pride is more effective as an emotional leverage. We feel motivated to do the right thing when we believe others are watching us, so it's more effective to offer social support instead of shaming people. When participants did a weight loss program with a friend/family member, 66% completed the 10-month follow-up compared to 24% who did it alone.

Willpower Exercise: Make your willpower challenge public or enlist others to join/support you.

Denial and Suppression can Backfire

The more you try not to think about something, the more it occupies your mind—especially when you're tired or distracted.

KEY QUOTES

"Like germs that linger on a doorknob long after a sick person passed through, an action can be passed on to us when we merely see evidence that others have done."

"Willpower failures may be contagious, but you can also catch self-control."

"Social proof can strengthen self-control when we believe that doing the right thing (or the harder thing) is the norm."

"Trying to suppress thoughts, emotions, and cravings backfires and makes you more likely to think, feel, or do the thing you most want to avoid."

This is known as "ironic rebound". Women who tried not to think about chocolate ended up eating almost twice as many chocolates. Dieters who tried to suppress thoughts of food ended up binge-eating. The more frequently the thought returns, the more your brain assumes that it's true or important.

Willpower Exercise: What desire have you been trying to suppress or avoid? Has it worked? When you outlaw or suppress something, do you end up wanting it even more?

People suffering from anxiety disorders become more anxious when they try to suppress the negative thoughts/feelings. The best way to resolve mental suffering is to make peace with the issues.

- The best way to free yourself from bad thoughts/feelings is to *stop avoiding or fighting them*. In an experiment, people were coached to observe and accept their difficult thoughts and feelings, then imagine them dissolving with each breath. Brain scans showed that the intervention led participants to pay more attention to their self-critical statements yet feel less anxious.

- *Let your thoughts/feelings exist* without believing all of it or feeling compelled to act. In a study, students were given chocolates and told not to eat them. One group was taught to counter their urges by distracting themselves or arguing against eating the chocolates. The other group was taught to notice and accept their craving but remember that they didn't have to act on it. None of the students from the 2nd group ate their chocolates after 48 hours.

Willpower Exercise: Acknowledge your feelings, thoughts or cravings without acting on them. Notice the craving → Accept the thought or feeling (without avoiding/arguing with it) → Know you can choose not to act on it → Remember your real goal. Notice how the craving feels in your body, then imagine it passing out as you breathe.

- In yet another study, smokers were asked to go through each step of the smoking process—e.g. take out a cigarette pack, remove the cellophane, open the pack, put a cigarette in the mouth etc.—with a few minutes between each step so

KEY QUOTES

"Whatever fear or desire you try to push away will become more convincing and compelling."

"If we want to save ourselves from mental suffering, we need to make peace with those thoughts, not push them away."

"Paradoxically, permission to think a thought reduces the likelihood of thinking it."

"Feel what you feel, but don't believe everything you think."

they had to sit with their craving. Before the session, half the smokers were taught how to *surf the urge*, i.e. to imagine the craving as an ocean wave that swells in intensity then crashes and dissolves. They're to simply ride the wave as surfers. After 1 week, those who were taught to surf the turf had reduced smoking by 37% compared to the control group.

Willpower Exercise: Use this method to manage an unhelpful impulse. Imagine the sensations cresting and breaking like wave. Ride it without taking action nor pushing it away.

Redirect your mental energy to find solutions for your challenges instead of trying to avoid/suppress your feelings.

- Replace the bad habit with a *healthier habit*.
- *Redirect* the time/energy, e.g. instead of watching TV, learn to cook your favorite dishes.
- *Reframe* a "I won't" challenge into a "I will" challenge, e.g. instead of trying not to be late, aim to be 5 minutes early.

Willpower Exercise: Focus on "I will" instead of "I won't".

Conclusion & Other Details in the Book

Ultimately, self-control is built on 3 skills: self-awareness, self-care, and remembering your goals. The key is to be mindful of your choices instead of running on autopilot. McGonigal invites you to test each strategy and draw your own conclusions about willpower and what works for you.

This book includes details of numerous research studies, along with examples and suggested exercises to help you apply the ideas outlined in this summary. For more details, please visit kellymcgonigal.com.

KEY QUOTES

"These three skills—self-awareness, self-care, and remembering what matters most—are the foundation for self-control."

THE 1-PAGE MARKETING PLAN

Get New Customers, Make More Money, and Stand out From The Crowd

ALLAN DIB

The Big "So What"

This book provides a step-by-step guide for developing your marketing strategy and plan in 3 phases. Dib explains the marketing process in layman's terms, with practical insights that any small or medium-sized business can use to position the company, attract customers and create marketing systems for sustainable growth.

Introduction

For any business, money is like oxygen. A business that doesn't make money can't survive, much less create value or a positive impact.

- Technical skills alone aren't enough for business success, e.g. being a good designer doesn't mean you can run a good design firm. Likewise, a good product may help you to retain customers, but you need successful *marketing* to acquire the customers in the first place.

- You can always get more money, but never more time. That's why the most successful business owners invest money to save time (not vice versa), and focus on activities with the *greatest leverage*.

The 1-Page Marketing Plan is a powerful tool to help you crystallize and implement the high-impact elements of your marketing strategy.

- Most people confuse marketing tactics (e.g. SEO, podcasting) with strategy. To build a house, you must have a blueprint *before* you decide on the building techniques and materials. A marketing strategy is your

KEY QUOTES

"This book is about growing your business fast and reaping the rewards."

"Money isn't everything...but it ranks right up there with oxygen."
—Zig Ziglar

"The most successful entrepreneurs always start with marketing."

"You want to get really good at marketing because that's where the money is."

blueprint for getting your ideal target market to know, like, and trust you enough to buy from you. You need both strategy and tactics to succeed, but *strategy must always drive tactics*.

- The *80/20 Pareto Principle* predicts that the majority of your results will come from a minority of your actions. In any business, marketing provides the biggest leverage: a 10% improvement in marketing skills can lead to an exponential improvement in your bottom line. In addition, the 1-Page Marketing Plan captures the most critical aspects of the marketing planning process, to help you focus on the 20% of actions that will deliver 80% of your results.

- Small/medium businesses can't afford the expensive branding campaigns used by large companies like Coke or Apple. They must rely on *direct response marketing* which can deliver high returns even on small budgets. Direct response ads are trackable and measurable; they target a specific niche with compelling headlines and sales copy, a highly-targeted offer, a clear call-to-action, short-term and long-term follow-up.

- The 1-Page Marketing Plan breaks down the marketing process into *9 sets of activities over 3 phases of marketing*:

  (i) *Before*: when you help cold prospects to know you and indicate interest in your offering.

  (ii) *During*: when you get interested leads to like you enough to buy for the first time.

  (iii) *After*: when you get customers to trust you, buy regularly and refer others as raving fans.

We'll now zoom in on each of these 3 phases in detail.

KEY QUOTES

"If you want more success you need to start paying attention to and expand the things that give you the most leverage."

"Marketing is the strategy you use for getting your ideal target market to know you, like and trust you enough to become a customer."

The "Before" Phase (Prospects → Leads)

In this phase, your goal is to attract cold prospects, get them to know you and indicate their interest. To do so, you must (i) identify a specific target market, (ii) craft a compelling message and (iii) deliver your message via the right advertising media.

Select Your Target Market

Select a specific target market, so you can (i) focus your limited resources, and (ii) tailor a targeted message that's directly relevant to your audience. The more limited your resources, the more laser-focused you must be. When you try to target "everyone", it's like shooting arrows blindly in the dark hoping to hit something.

- A *niche* is a tightly-defined section of a sub-category. For example, within the broad category of "health and beauty", a specific niche could be "cellulite treatment for women who've just had a baby". A good niche is one that's "an inch wide and a mile deep"—it's extremely targeted, yet there're many people looking to solve the same problem. This allows you to be focused without limiting your business potential.

- Once you *become a specialist* at solving a problem that your target market badly wants to solve, price will no longer be an issue. That's why people pay so much more to a top brain/heart surgeon than a general practitioner.

- After you've dominated a niche, you can continue to *expand 1 niche at a time*. However, if you target too many groups at the same time, you'll dilute your message and resources.

Use the PVP index to identify your ideal customer segment. For example, photography can be further segmented into niches including: weddings, corporate, family portraits, and journalism. You can then rate each of these segments (on a scale of 1-10) against 3 factors:

KEY QUOTES

"By focusing on the right target market for your business, you'll be able to get a better return on the time, money and energy you invest."

"Trying to target everyone in reality means you're targeting no one."

"Targeting a tight niche allows you to become a big fish in a small pond."

"A specialist is paid handsomely to solve a specific problem for their target market."

- *Personal fulfillment*: how much you'd enjoy serving the segment;
- *Value to the marketplace*: how much the customers will pay for your work/solutions; and
- *Profitability*: How much profits you can make from serving the segment.

One of the best ways to truly understand your prospect is to create an avatar, or a detailed description of your prospect and his/her life. Consider the gender, age and location of someone in your target segment. Put yourself in their shoes: What are their biggest fears, desires, hopes, and frustrations? What are their decision-making biases? What media and websites do they use? What language/jargon do they use? What's the key emotion that drives them? What's the 1 thing they desire above all else?

Craft Your Message

To stand out, capture people's attention and motivate action, you need a compelling message that resonates with your audience.

- When you're crafting an ad, always consider 2 things: What's the *purpose and focus* of the ad?
- Each ad should only have *1 objective*. Make it clear what they should do next and what they'll get in return, e.g. visit your store for a free sample, or leave an email for a free report.

Convey your unique selling proposition (USP), or the reasons to buy from you instead of your competitor.

- Don't compete on the lowest price—a rival can always offer a lower price and you'll end up attracting low-quality clients. Instead, *differentiate yourself* so you can sell at a premium price.
- An USP has *2 components*: (i) why they should buy, and (ii) why buy from *you*? The ultimate test is this: if you remove the name and logo from the ad/website, can it be differentiated from your competitors'?

KEY QUOTES

"To stand out from the crowd you need to craft a compelling message that grabs the attention of your target market. Once you have their attention, the goal of your message is to compel them to respond."

"Marketing is an uphill battle if you haven't clearly clarified first in your mind why your business exists and why people should buy from you rather than your nearest competitor."

- Start by asking yourself: Of all your products and services, (i) which one will most certainly solve your target customer's problem, and (ii) which one do you enjoy delivering the most? Then, take the time to figure out *what your target market really wants*. Remember: people may not know what they want until they see it, and purchases are often made emotionally (then justified later with logical reasons). Consider the questions below, or use surveys and observations to gain deeper insights:

  (i) What's the biggest benefit from your solution? What are your customers *really* buying? E.g. when people buy insurance, they're actually buying a peace of mind.

  (ii) What emotionally-charged words/phrases can grab their attention, or what intriguing story can you tell?

  (iii) What guarantees or outrageous offers can you make to address their objections?

  (iv) What can you learn from others who've succeeded (or failed) to sell something similar?

- You can distill your USP by crafting an *elevator pitch* (a 30-90 seconds summary) of your value proposition. Try this formula: *"You know [the problem]? Well, what we do is [the solution]. In fact [the proof]."* Focus on the customer and their problem (or solution); don't focus on your company/product.

Once you know what they want, you can craft an irresistible offer.

- You can make your product more remarkable (to justify a higher price) without much higher costs. For example, you can deliver your coffee with beautiful coffee art (which costs almost nothing). To *make your offer more irresistible*:

  (i) Consider what's the biggest *value* or result you can deliver to your customer while still making a profit.

  (ii) Use their *language* or jargon, e.g. golfers may use words like "hooks," "slices", or "handicaps".

  (iii) Give a *reason* for an unbelievable offer (e.g. clearing old stocks).

KEY QUOTES

"People buy with emotions first and then justify with logic afterwards."

"Develop your USP, deliver on it and make those you deal with play your game, on your terms."

(iv) Use *value-stacking* to make the purchase a no-brainer. If possible, stack your bonuses such that the combined bonuses are worth more than the main offer.

(v) *Upsell* a complementary item (e.g. extended warranty)

(vi) Offer a *payment plan* for high-value items, e.g. an upfront payment of $5,000 sounds more scary than 12 payments of $497, even though the instalments add up to almost $6,000.

- People are always more willing to pay to remove an existing pain than to prevent a future problem. Instead of offering discounts, *resolve their pain* for a higher price, e.g. offer an all-in-one price for a wall-mounted TV with same-day delivery and installation.

Use effective copywriting that appeals to people's emotions and compels action.

- Don't be afraid to inject some *personality and emotions* into your communications, e.g. using a talking-head video to describe your offering, or using social media to engage with prospects and customers. An authentic, personal touch is always more effective than a stiff, "professional" approach.

- Ethically target *5 major emotions* behind buying behavior: fear, love, greed, guilt, and pride. Use *proven words* like: Free, Guaranteed, Proven, You, Save, Results, Money, Health, Love, New, Easy, Safety, and Discovery.

- You can create an immediate connection by (i) using your prospects' *language*, and (ii) targeting a *common enemy* (e.g. bad economy, lack of time).

- State *who your product isn't for*. This filters out unsuitable prospects, and makes you seem more credible to the right ones.

- If possible, choose a *name/title* that clearly conveys your solution, e.g. a handyman business called "Handyfix" is self-explanatory. Go for clarity over cleverness.

KEY QUOTES

"People are much more willing to pay for a cure than for prevention."

"People buy from people, not from corporations."

"We're all big bags of emotion and our buying decisions are made with emotion and then justified with logic later."

Reach Prospects With Advertising Media

Advertising is a good way to communicate your message to your target market, but it's also the most expensive part of your marketing. To get a good return on investment (ROI), you must choose and manage your channels carefully.

Today, it's possible to track and measure most of your marketing campaigns, to know exactly what works and what doesn't.

- A campaign is successful so long as it's profitable, i.e. your earnings are higher than your costs. Specifically, there are *2 vital numbers* you must know and track:

  (i) *Customer Acquisition Cost (CAC).* If you spend $1,000 to acquire 40 customers, your CAC is $25. If your average sale is $10, you'd lose $15 for every customer acquired (negative ROI). If your average sale is $60, then you earn $35 per customer acquired (positive ROI).

  (ii) *Customer Lifetime Value (CLV)* is the sum of your "front-end" sales (what you make upfront from a campaign) and "backend" sales (what you make from a customer's subsequent purchases). The latter is often much more substantial. So, even if your upfront sale is only $10, you'll still make money if your CLV is $100.

  These are only 2 numbers that matter. All other statistics (e.g. response rates, conversion rates) are secondary.

Here are a few examples of advertising media you can consider:

- *Social media* is basically a digital platform for social gatherings, so it's not a good idea to hard-sell there. Moreover, your social media pages aren't owned by you, so you can be removed anytime. Dib recommends using social media to give a human face to your business (e.g. sharing your opinions, responding to customer queries). However, build your own marketing assets (e.g. blogs, email lists, websites), and use social media to drive traffic to those assets.

KEY QUOTES

"What gets measured, gets managed."

"Rather than 'getting your name out there,' you'll fare much better by concentrating on getting the name of your prospects in here."

- *Email marketing*. Use a prominent opt-in form on your website to capture your visitors' email addresses, then nurture them over email. Success with this media depends on whether your emails are delivered, opened, and read.

  (i) Send 3 value-building emails for every sales-offer email.

  (ii) Use compelling titles to improve email open rates.

  (iii) Use a personal tone as if you're talking to 1 person, even though you're emailing to many people.

  (iv) Use a proper email marketing system (e.g. MailChimp, Aweber) designed for mass-emails.

  (v) Email regularly and automate your process where possible.

- *Snail mail* is still relevant in a digital age. A virtual bouquet of flowers simply can't create same emotional impact as a physical one.

Each media requires specialized knowledge. Once you've selected your media, hire experts for that specific media. Don't try to do it on your own. If a campaign is losing money, stop and change it.

- During the initial phase, *test everything*, e.g. your header, offer, and positioning. Set a budget for each test, allow yourself to fail frequently and quickly, and learn what works or doesn't.

- Once you've found a *winning formula* with positive ROI, you'll practically have an unlimited budget and can control how much you wish to spend on marketing. If demand exceeds supply, you can use the opportunity to increase prices.

- A business with only 1 major client, customer source or advertising media will be highly vulnerable. Dib recommends having *≥5 sources* of new leads and customers, of which the bulk are generated from paid media (with positive ROI).

KEY QUOTES

"Email doesn't replace postal mail, it complements it."

The "During" Phase (Leads → Customers)

In this phase, your goal is to nurture leads who're mildly interested in your offer, until they like/trust you enough to buy from you.

Capture Leads

The goal of direct response marketing is not to make an instant sale. It's to find people who're interested in your solutions, so you can gradually build trust and relationships.

- *Don't try to sell outright*. As a rule of thumb, only 3% of your target market is ready to make an immediate purchase. Another 7% is open to buying, and 30% is interested (but not right now). Of the remaining 60%, half aren't interested to buy and the rest won't use your solution no matter what.

- Instead of selling directly to the 3%, it's better to *capture the leads* in a database system, so you can follow up with the other 37% and build your future sales pipeline.

To get their contacts, offer an "ethical bribe" in the form of relevant information for a problem they want to solve. This should be an educational resource that's (i) valuable to your audience and (ii) can establish yourself as a trustworthy expert. For example, a wedding photographer could offer videos on how to choose the best photographer for the wedding day.

Nurture Leads

Nurturing leads is like farming, not hunting. Many salespeople give up after just 1-2 tries. In reality, most prospects must be nurtured over several contacts. The good news is, once you've earned their trust, they'll be ready to buy without any hard-selling on your part. There're 3 steps to being a "marketing farmer":

KEY QUOTES

"Like a farmer you prepare your prospects to become ready for harvesting."

- *Find people* who're interested in your solution. Position yourself as a teacher (not a salesperson) by offering relevant info for a problem they want to solve.

- Add them to your *database*.

- Continually *nurture* your leads and provide value so they'll remember you.

Once you have a database of high-probability prospects, keep offering value until they buy or drop off. To manage this process, you need to **build your marketing infrastructure**.

- Use a *customer relationship management (CRM) system* to consolidate all your customer interactions.

- Create *automations* to sort/filter your database, and manage triggers when certain actions are taken, e.g. when someone clicks on a link or submits a form. Once you've successfully automated a process, you can use it repeatedly.

- Over time, you'll accumulate a range of *marketing assets* in your infrastructure, e.g. lead capture websites, newsletters, email sequences, videos, podcasts, print ads, free reports, etc.

- The volume of snail mail has dropped drastically, making it easier for you to stand out and *make an impression* compared to the digital space. There are 2 ways to drastically increase the chance of your mail being opened and having an emotional impact:

  (i) A postal mail that's unusually thick ("*lumpy mail*") will catch people's attention. You can use memorable items, e.g. a thrash bag with the message "Stop wasting money", or a magnet with the message "Attract more clients."

  (ii) A "*shock and awe package*" is a physical box filled with unique assets that highlight the benefits of your solutions, e.g. books or DVDs explaining the problems you can solve for your prospect, client testimonials, product samples, gift cards, or handwritten notes. The pack should (i) provide extraordinary value for your prospect, (ii) position you as a trustworthy expert in your field, and (iii) move the prospect further down the buying cycle.

KEY QUOTES

"The lead nurturing process ensures that leads are interested, motivated, qualified and predisposed to buying from you before you ever try to sell to them."

"Let your competitors do cheap and efficient marketing while yours entertains, delights, inspires and wows. It will put you worlds apart."

- A successful business requires 3 types of people: entrepreneurs (who can identify market opportunities and envision solutions), specialists (who have the technical know-how to implement the vision), and managers (to ensure things stay on-track). It's impossible for 1 person to wear all 3 hats. Moreover, good marketing requires continual testing and refinement of your offers, headlines, etc. So, don't try to do everything yourself. *Automate what you can and delegate the rest*.

  (i) *Know what needs to be done by when*. Develop a calendar of daily, weekly, monthly, quarterly, and annual marketing activities, and a list of event-triggers and follow-up actoins.

  (ii) *Find the right people* to handle those activities. So long as the person can do the job 80% as well as you can, it's worth delegating the task. Remember: you can always get more money, but not more time.

Convert Sales

Never behave like a pesky salesman peddling a mass-commodity. If you do the previous steps properly, and position yourself as a sought-after expert who can improve your prospects' or customers' lives, they'll be *asking* to buy from you after some time.

Prospects are quick to judge your company's credibility based on first impressions, so make sure you present your business in a way that evokes trust and confidence:

- Regardless of the size of your business, your *website* must always look credible. Avoid common mistakes like poor web design, a lack of contact email, phone number, business address, privacy policy or terms of use.

- Never use a generic *email* address (e.g. gmail or hotmail). Invest in your own company email domain (name@company.com).

- Use a national toll free *phone number*, a toll free word or "vanity" number to improve your credibility and accessibility.

KEY QUOTES

"Making regular offers will make you a better marketer. Getting good at the science of marketing is the key to rapid business growth."

"Stop selling and start educating, consulting and advising."

"Instead of being a pest, I advocate becoming a welcome guest. Send your high probability prospects a continuous stream of value until they're ready to buy."

- Use a proper *CRM system* to track and manage your leads.
- Use a *ticketing system* to manage customer support or inquiries.

Identify your prospects' fears or perceived risks, then use "outrageous guarantees" to make it risk-free to buy from you. If you're in the pest-control business, you can guarantee that the pests will be removed permanently without toxic chemicals, and the house will be properly cleaned, or they'll get 2x the money back.

Your pricing strategy is one of the most critical components that affects all parts of your business. Yet, many businesses simply set their price just below the market leader, or do a cost mark-up.

- Less is more. Offer just *2-3 product variations*, with a premium version priced at about 50% above the standard variation but offering 200% (or 2x) the value.
- Remove perceived risks by offering an *"unlimited" version* of your service at a fixed price.
- Add an *ultra high-ticket item* to target your most affluent customers. As a rule of thumb, 10% of your customers will pay 10x more and 1% of your customers will pay 100x more.
- *Avoid discounts*. Instead, offer more value by upselling, cross-selling, or bundling related items that your customers will value.

To increase sales conversion:

- Institutionalize the mindset that *everyone is in sales*. Every person in your company—be it technical support or customer service—should be trained to (i) detect if a customer is interested to upgrade his service, and to (ii) move him forward in the buying process.
- Offer a *free trial*. This makes it easy for prospects to say "yes", and they're unlikely to stop the service or return the product so long as it meets their needs.
- *Remove hurdles to sales*, e.g. make sure you offer customers their preferred payment mode, or provide

KEY QUOTES

"When you can name the fears and guarantee against them in your marketing, you give yourself an overwhelming advantage over your competitors."

"Make it known that regardless of what their primary role in the business is, responding to sales opportunities is their job."

payment plans to break down high-ticket items into smaller monthly installments.

The "After" Phase (Customers → Raving Fans)

This phase is about converting your customers into raving fans, increasing their lifetime value and encouraging referrals.

Deliver a World Class Experience

Tribes are groups of people who're connected through an idea or leader. To build a tribe of raving fans, you'll need to (i) deliver a consistently wow experience, (ii) build lasting relationships, and (iii) be fun and easy to deal with.

Your ultimate goal is to help your customers to achieve results. If they fail to use your product in the intended way, they won't see results and will have no reason to stay or return, e.g. if they fail to start the 30-day health program that they purchased. So, it's not enough to sell them what they want; you must also give them what they need to get the desired outcomes.

- Break down the *post-purchase process* into bite-sized pieces and spoon-feed your customers so they'll take the required action to get the most benefits from their purchase. Help them to overcome potential obstacles.

Find ways to wow them with a superb experience:

- Use *innovation and showmanship*, i.e. creative ways to price, package, finance, market, deliver or support your product. For example, a restaurant can offer a pick-up and drop-off service to let their customers drink with a peace of mind. Blendtec used a series of videos to show how their blender (a typically "boring" product) can blend anything from golf balls to iPhones.

- Use technology to *reduce friction*, i.e. make the customer process as fast and seamless as possible. Think of each technology (e.g. website, email management software) as

KEY QUOTES

"Our goal is for our customers to achieve results."

"Sell them what they want but give them what they need."

"Buying it is just the first step. Putting it to its intended use is another."

"Your customers don't just want to be serviced. They want to be entertained. Give them what they want by creating a sense of theatre around your product."

an employee: what role are they hired to do and what's their key performance indicator (KPI)?

- Become a "voice of value" by sharing *insightful content and opinions* with your tribe.

- Don't just claim that your product is of the "best *quality*". Share exactly how much skill, effort, resources or attention go into delivering your product/service.

You can make money by selling products/services, but true wealth will come from building a **scalable, replicable business system**.

- A replicable business must include *4 crucial sub-systems*:

  (i) A *marketing system* to bring in a consistent flow of leads;

  (ii) A *sales system* to nurture and convert leads to customers;

  (iii) A *fulfillment system* to deliver what you promised; and

  (iv) An *administration system* (e.g. finance, human resource) to support the other business functions.

- These systems will allow you to consistently attract new customers, deliver a world-class experience, manage/reduce your operating costs, and potentially license, franchise or sell the business. If you're the sole business owner, such systems will also ensure that you don't become the bottleneck and have an *exit strategy* if you wish/need to stop working.

- To build your systems, start by *documenting the processes*:

  (i) Define the key roles in your business;

  (ii) Identify the key tasks performed by each role;

  (iii) Document how each task is performed (using checklists, video/audio training materials etc.) with clear steps and checklists for completing each task properly. These jointly form your operations manual or business know-how.

KEY QUOTES

"The purpose of any new technology in your business is to eliminate friction. We want the fastest and easiest path to the sale, while increasing customer satisfaction."

"Products make you money, systems make you a fortune."

"Systems allow mere mortals to run an extraordinary business."

"If you are indispensable, you are a bottleneck and the business will only move as fast as you can."

Increase your Customer Lifetime Value (CLV)

The real money is made by selling more to past or existing customers. Here are 5 main ways to do so:

- *Increase prices*. If your prices remain unchanged, you'll eventually earn less due to inflation. Explain the reasons behind the price increase (e.g. increase in quality or labor costs) to make it more palatable.

- Present a more expensive item, then *upsell* a relatively cheaper add-on, e.g. fries to go with a burger, a shirt/tie to go with a suit. You can use words like: "Most customers who bought A also bought B".

- *Upgrade* existing customers to a higher-priced tier, e.g. a more luxurious car model or a higher-speed Internet plan. Always include an ultra high ticket item in your product mix to (i) cater to your most affluent customers, and (ii) make the other items look comparatively cheaper.

- Increase the *frequency* of your customers' purchases through (i) reminders (e.g. post-cards, newsletters), (ii) reasons to return (e.g. cash voucher for next purchase), or (iii) recurring subscriptions.

- *Reactivate* customers who have stopped buying from you:

  (i) Identify customers who haven't made a purchase in a while;

  (ii) Create a strong offering to bring them back (e.g. coupon, free offer); and

  (iii) Contact them to find out why they didn't return (e.g. emails titled "We Miss You" or "Did we do something wrong?")

Track your key marketing metrics (on a monthly, if not weekly/daily basis) to know exactly how you're doing. These include: the number of new leads, conversion rate (of leads to customers), average transaction value, break-even point, CAC, CLV, recurring revenue and churn rate (% recurring customers who stop buying). Show these numbers on a dashboard so you can see the *real-time performance* of your business and be notified early if something is wrong.

KEY QUOTES

"Small hinges swing big doors."

"Filling the bucket is great but not if it's leaking at a rapid rate."

Retain good customers and remove bad ones.

- Generally, there are *4 types of customers*:

  (i) *Tribe members* are the raving fans and promoters of your business. They're crucial for your long-term growth/success.

  (ii) *Churners* can't really afford your services. They may buy during a sale, then leave and spread bad reviews about you.

  (iii) *Vampires* can afford your services but are more trouble than they're worth, e.g. those who make endless demands/complaints.

  (iv) *Snow Leopards* are high-value customers who contribute disproportionately to your revenue. However, they're extremely rare and can't be replicated.

- The *Net Promoter Score (NPS)* helps to classify customers into Promoters, Detractors or Passives based on their response to this question: "How likely is it that you would recommend our company/product/service to a friend or colleague?"

- Don't be afraid to *fire the problematic customers* who drain your time, resources and energy (including the detractors, vampires and churners). This frees you up to focus on the high-value tribe members and promoters.

Orchestrate & Stimulate Referrals

Hoping for word-of-mouth is like waiting for a free lunch. You need to proactively generate a steady stream of referrals.

One of the best ways to get referrals to simply to ask for them:

- *When you've delivered good results* for a customer, ask for referrals by appealing to their ego, offering something valuable they can give to others, and explaining how it'll benefit them too. For example, "Mr. X, we've truly enjoyed

KEY QUOTES

"If you take on toxic customers you'll generate polluted revenue, which makes your businesses sick."

"One of the best strategies for getting what you want in business and indeed in life—just ask."

working with you. If you know anyone who's in a similar situation as yourself, feel free to give them one of these gift cards which will give them $100 off their first consultation with us. Most of our new business comes from referrals from customers like yourself, which allows us to save on advertising and pass the cost-savings back to you."

- Set the expectations early *during the customer onboarding process*. Let them know that if they get great results from your service, you'd be asking them for referrals (in a way that would also benefit them).

Partner with complementary products/services who're likely to spend money to acquire the same customers.

- Consider the businesses your customers deal with *before* they engage your services. For example, if you're a pet food retailer, you can work with a vet to refer your services—offer a finder's fee, or provide gift cards which they can give to their clients.

- Find ways to monetize your customer database with the businesses your clients deal with *after* yours. For example, you may exchange leads (with permission from your customers), resell the complementary products/services, or become an affiliate referral partner.

Build your brand or the personality of your business. People can only get to know you after they purchase from you. Build brand equity or goodwill so people will want to continue doing business with you.

Conclusion and Other Details in the Book

This is a compact guidebook packed with useful insights and details to help any small/medium business owner or marketer to attract, nurture, convert and satisfy your customers to earn more money. However, they'll only work if you apply them. With practice, you'll deliver better value, refine your marketing process and see phenomenal results. You can find more details and download useful resources/templates at 1pmp.com.

KEY QUOTES

"Branding is something you do after someone has bought from you, rather than something you do to induce them to buy from you."

"Knowing and not doing is the same as not knowing."

COMPETING IN THE AGE OF AI

Strategy and Leadership When Algorithms and Networks Run the World

Marco Iansiti & Karim Lakhani

The Big "So What"

Artificial intelligence (AI) is transforming businesses and industries worldwide, creating new options that were simply impossible in the past. This book explains how individuals and companies alike can leverage AI-driven models to compete, grow, and thrive in the new digital economy.

Introduction

We are in the midst of an **AI revolution**. From healthcare to entertainment and retail, AI is reshaping how we live and work. In *retail*, AI-powered systems like Amazon vastly outperform traditional methods in predicting demand, automating restocking, and optimizing logistics. In *financial services*, AI is revolutionizing credit assessment and fraud detection, while in *healthcare*, it's driving earlier and more accurate diagnoses. Even in the *arts*, AI was able to recreate Rembrandt's painting style using algorithms and 3D printing.

This book explains how individuals and businesses can **harness AI's potential** to thrive in today's evolving digital landscape. In this summary, we've distilled and organized the insights into 2 parts:

- Transformation in the Age of AI; and
- Addressing Ethical and Leadership Challenges

KEY QUOTES

"AI presents new opportunities —for startups, established firms, entrepreneurs and intrapreneurs, for new economic, social, and political institutions, and yes, even for artists."

"AI is the 'runtime' that is going to shape all of what we do."
—Satya Nadella, Microsoft

"Our goal with this book is to provide leaders of organizations old and new, startups, and regulatory institutions a set of frameworks for understanding, competing, and operating in the age of AI."

Transformation in the Age of AI

Understanding the AI Revolution

During the **Industrial Revolution**, machines and new production methods drastically improved productivity, increased economic growth, and created new industries. However, they also disrupted labor markets, with many skilled artisans losing jobs to machines.

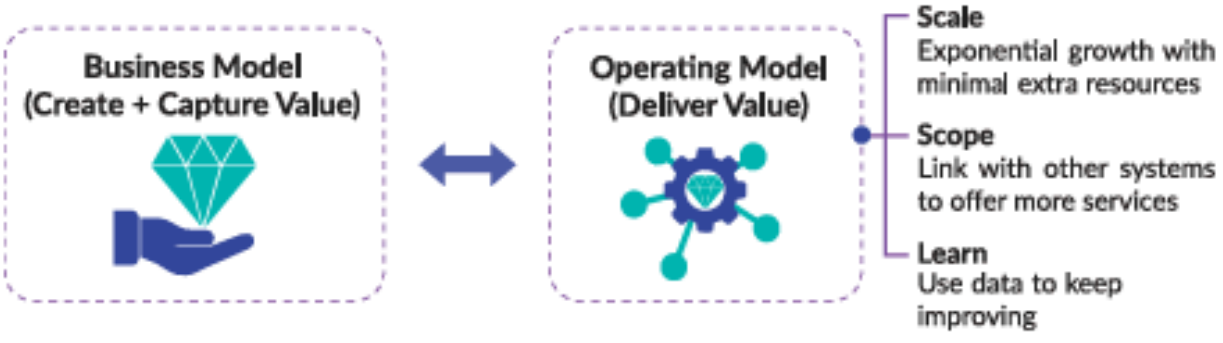
Today's **AI revolution** is similarly changing the dynamics of businesses, industries, and the global economy. It is reshaping the rules of competition and creating exponential improvements in efficiency and innovation. However, the impact of this revolution will be even faster and wider, due to AI's ability to learn, adapt, and scale rapidly.

Rethinking Business Models and Competitive Dynamics

AI-powered digital firms compete on a different playing field from traditional firms. To fully exploit AI's potential, firms must rethink their business and operating models.

A firm's success hinges on its **business and operating models**.

- The *business model* defines how it creates and captures value, delivering products and services that customers will pay for.
- The *operating model* includes the processes, systems, and capabilities to deliver that value efficiently with scale, scope, and learning.



KEY QUOTES

"AI is not only displacing human activity, it is changing the very concept of the firm."

"Strategy, without a consistent operating model, is where the rubber meets the air."
—Somewhat famous Italian proverb

"Whereas the business model creates a goal for value creation and capture, the operating model is the plan to get it done."

Traditional and digital models are drastically different.

- Most *traditional firms* rely on human decision-making and a hierarchical structure. Different departments operate in silos, and data are gathered, stored and processed inconsistently across departments, often on different IT systems.

  (i) This leads to *inefficiencies and wasted opportunities*, because it's hard to share information or see the big picture.

  (ii) Human-centered processes and decision-making also mean *manpower and resource constraints*, making it hard to scale up or adapt quickly to market changes.

- In contrast, *digital AI-driven firms* are built around data, software, and algorithms. This frees them from traditional constraints, allowing them to scale and adapt rapidly. Specifically, they can:

  (i) Automate operations and handle unlimited tasks without a proportionate increase in human labor *(scale)*;

  (ii) Easily integrate with other digital systems and platforms to offer more services *(scope)*; and

  (iii) Analyze huge amounts of data to continuously improve decision-making and operations *(learn)*.

Ant Financial is a prime example of how digital firms can achieve unprecedented scale, scope, and real-time learning.

- *Scale*: At the time this book was published, Ant Financial served over 700 million users with fewer than 10,000 employees. It could process over 120,000 transactions per second, due to its AI-driven digital infrastructure which automates processes like fraud detection, credit scoring, and loan approval. By comparison, the Bank of America served only 67 million customers with some 209,000 employees.

- *Scope*: Beyond basic financial transactions, Ant Financial also offers a comprehensive range of services, including payments (Alipay), investments (Yu'e Bao), credit scoring (Zhima Credit), and loans (MYbank). This ecosystem is powered by a centralized digital platform that integrates real-time data for decision-making, allowing Ant to monetize through scale and low transaction costs.

KEY QUOTES

"Devising and executing that operating model is where the real work would lie."

"The new breed of digital firms is all about innovation in the business model, experimenting and recombining various aspects of value creation and value capture."

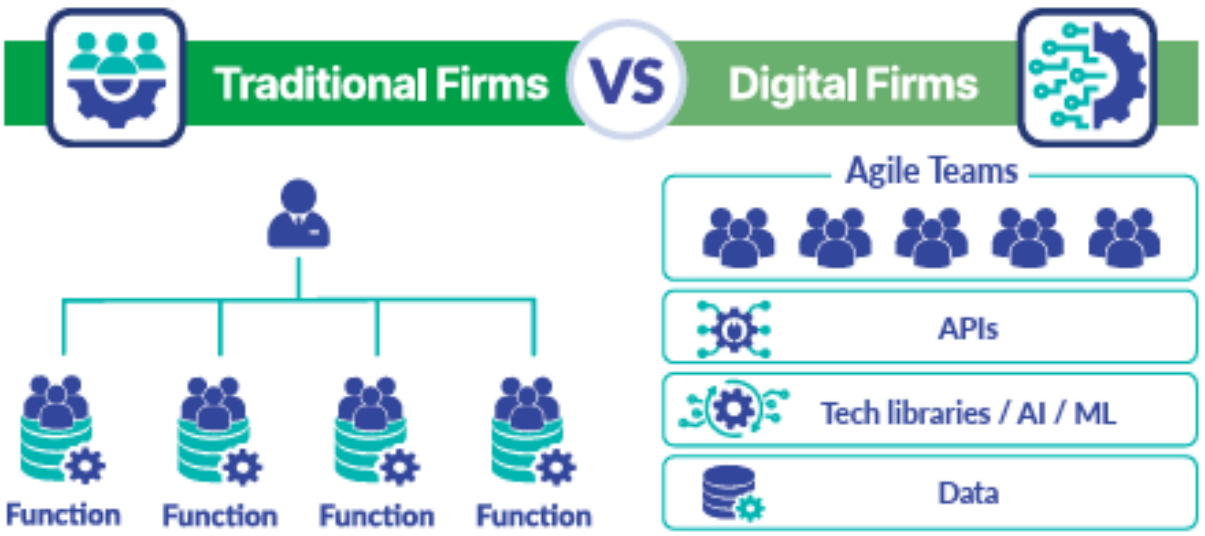
"Ant Financial is built with scale in mind. There is no way that a human-centric approval process can be deployed here."
—Ming Zeng, Alibaba

"Human beings can do everything that AI can do. They just can't do it to scale."
—Anne Marie Neatham, Ocado Technol

- Their algorithms *learn and adapt* real-time using customer data, so the larger they are the better they become at fraud detection, credit risk assessment, and personalized service offerings.

Rearchitecting the Firm

Business and operating models must be supported by the right business architecture. To thrive in a digital age, traditional firms must undergo a **structural transformation**—to shift from rigid, hierarchical architectures to flexible, data-centric ones.



AI-powered firms rely on **modular architectures** that seamlessly integrate data and software for agility and efficiency.

- The organization is built on *data as a foundation*. It continually collects, cleans, and stores in a unified way to ensure it's always accessible and consistent.
- *Technological libraries* house the AI and machine learning (ML) tools to analyze data, generate insights, and adapt/learn easily from new information without starting from scratch.
- *APIs* (Application Programming Interfaces) are the bridges that connect different pieces of software/data to avoid silos.
- *Agile teams* then use the digital tools to make data-driven decisions, quickly test ideas, adapt to changes, and implement solutions in real-time.

This setup makes AI-powered firms highly **flexible and scalable**. Instead of manual decision-making, they use real-time data and AI algorithms to repeatedly improve their operations, enabling them to grow quickly and adjust to changes.

KEY QUOTES

"A digital firm requires a different kind of operating model—one that is architected to take an integrated core of software, data, and AI and use it to power a new breed of organization."

"A firm's operating architecture has become a strategic consideration that should be thought through at the most senior levels."

"The organization reflects the system, and the system reflects the organization. This simple observation carries important implications for the evolution of firms."

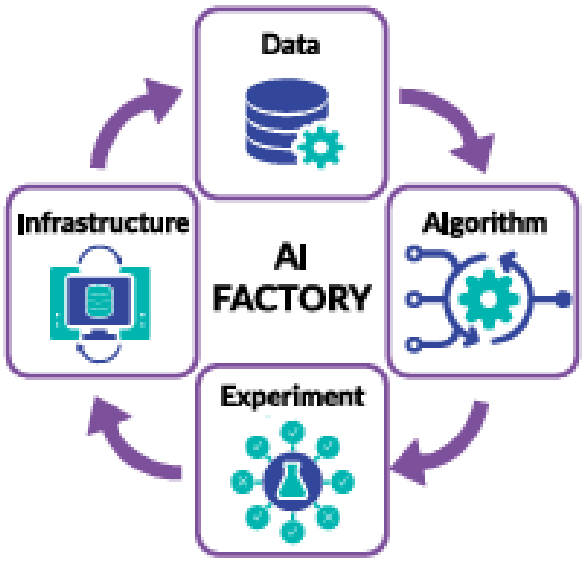
"In a digital operating model, the employees do not deliver the product or service; instead, they design and oversee a software-automated, algorithm-driven digital 'organization' that actually delivers the goods."

- In contrast, traditional firms face structural, resource, and technological constraints. Their outdated structure creates "*architectural inertia*," making even small changes hard to implement because they often require a total shift in how people think and operate. It's not just about technical challenges, but people's attitudes and entrenched processes.

The New AI Factory

The most advanced AI-powered firms operate like an "AI Factory" with minimal human inputs. Instead, they use **4 key components in a self-reinforcing cycle**.

- *Data* is gathered and refined;
- *Algorithms* use the data to make predictions;
- The predictions are *tested* to improve their accuracy; and
- The *software infrastructure* supports and scales these operations.



The stronger the algorithm, the better the results, and the more likely the company can acquire/retain users, which leads to even more data to strengthen the algorithm in *virtuous cycle*.

Data pipelines handle the flow of information in AI operations. They continuously gather data from multiple sources, clean it for accuracy and consistency, integrate it into a unified system, and safeguard data privacy and security.

AI relies on algorithms for decision-making. **Learning algorithms** create and refine computational models to interpret data, generate insights/predictions, and make decisions.

- A strong algorithm requires large, quality datasets and a robust infrastructure for rapid iteration/updates. There are different *types of learning algorithms*:

  (i) *Supervised learning:* Uses labeled data to predict outcomes, e.g. forecasting user behavior based on historical data.

  (ii) *Unsupervised learning:* Analyzes unlabeled data to

KEY QUOTES

"Frankly, the technology is the easy part. As many others have noted, organizational change is really hard."

"In its essence, the AI factory creates a virtuous cycle between user engagement, data collection, algorithm design, prediction, and improvement".

"Data is the essential input of the AI factory."

"The algorithms generate predictions about future states or actions of the business. These algorithms and predictions are the beating heart of the digital firm, driving its most critical operating activities."

uncover hidden patterns, e.g. grouping customers based on buying behavior.

(iii) *Reinforcement learning:* Learns through trial and error using feedback, e.g. optimizing marketing tactics based on user responses.

The **experimentation platform** tests hypotheses and validates new algorithms in a controlled environment before implementation.

- It provides a *continuous learning loop* to assess the impact of AI-driven decisions, and to rapidly iterate/refine the algorithms to enhance the overall efficiency and effectiveness of the AI Factory.

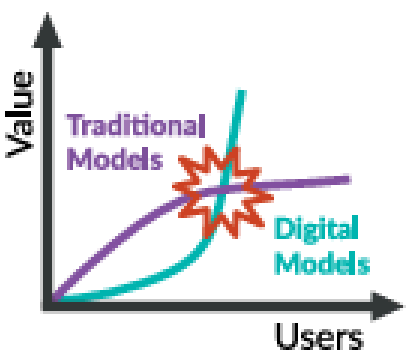
The **software infrastructure** supports the rest of the AI Factory. It provides scalable, reliable processing for large volumes of data, supports rapid adjustments to technological and market shifts, and ensures robust security and compliance.

Competitive Dynamics and Disruption

Strategic collisions occur when AI-powered firms directly challenge traditional companies, fundamentally shifting market dynamics.

Traditional and digital firms exhibit **different growth patterns**.

- *Traditional firms* often grow steadily until they hit natural limitations in resources or scalability.
- *Digital firms* grow slowly initially, then accelerate rapidly once they reach a critical mass of users and data. They continue to scale exponentially with data-driven strategies, making it hard for incumbents to compete.



Let's look at the **case study of Airbnb**:

- *Slow start*: When Airbnb was launched in 2008, it faced skepticism from the hotel industry, which was dominated by established hotel chains. Its initial growth was slow due to inconsistency in quality and a small user base.

KEY QUOTES

"If the data is the fuel that powers the AI factory, then infrastructure makes up the pipes that deliver the fuel, and the algorithms are the machines that do the work. The experimentation platform... controls the valves that connect new fuel, pipes, and machines to existing operational systems."

"Beyond shaping the fate of leading firms, the impact of these collisions is being felt across our entire economy and into our social and political system."

"The collision between digital and traditional travel companies shows what happens when traditional user needs are met in new ways by a different kind of operating model that digitizes some of the most critical tasks in the delivery of value."

- *Rapid scaling*: From 2011 to 2015, Airbnb rapidly expanded to over 190 countries, leveraging AI to optimize search, pricing, and recommendations, enhancing both host engagement and customer experience.

- *Market leadership*: By 2019, Airbnb surpassed the largest hotel chains with over 7 million listings worldwide. Its AI-driven platform kept improving, drawing in more users and data, and creating a network effect that traditional hotels struggled to compete with.

Shifting from Industries to Strategic Networks

AI-powered firms aren't just disrupting industries. They are transforming the global economy into a **massive digital ecosystem** that transcends traditional industry boundaries.

- This global network consists of many interconnected *subnetworks powered by AI*. They connect digital nodes across industries, enable seamless data interaction through advanced algorithms, and facilitate continuous learning and evolution.

- In this *network-based economy*, competitive advantage depends on a firm's ability to shape, control, and extract value from its digital ecosystems. Companies that leverage data and AI to dominate their networks (e.g., Google, Facebook, Tencent) have become central, global players.

Accordingly, companies must shift from industry analysis to **strategic network analysis**.

- *Industry analysis* assumes that industries are distinct and separate. It focuses on how firms compete in specific industries, and how to optimize internal resources and efficiencies within their own sectors.

- *Network analysis* focuses on how a firm connects with broader economic networks to shape data flow, learning, and competitive advantages.

Use strategic network analysis to understand your ecosystem, leverage opportunities and minimize risks, to **improve value creation and capture**.

KEY QUOTES

"Our entire economy is starting to resemble a vast, highly connected network coalescing around a small number of digital superpowers."

"Competitive advantage is increasingly defined by the ability to shape and control these networks and harvest the volume and variety of the transactions they carry."

"Just as industry analysis dominated strategy over the past few decades, we believe that network analysis will increasingly shape strategic thinking in the future."

"While creating real value for users, these companies also capture a large and expanding share of the value generated, and they're shaping our collective future."

- *Map out the business networks*: Start by mapping out the most critical networks connected to your business, such as links to customers, suppliers, or partners. Identify where value is created, and how data flows across the business landscape. For example, Uber's business involves its networks of riders, drivers, and food providers. Each network presents many opportunities to create and capture value.

- *Improve value creation* by exploring how to create more value as your networks grow and evolve. This could come from:

  (i) *Network effects*, where the value or utility of a product/service grows as more users engage with it. For example, the more users on a social network, the more valuable it is.

  (ii) *Learning effects*, where value is created as more data flows through the network, allowing businesses to learn and improve the service for users.

  (iii) *Clustering*, which is about focusing your efforts on specific areas/groups of people. For example, Uber might expand its ride-sharing services one area at a time, to better address the needs of users in each location.

- *Improve value capture* by exploring how your company can secure and retain the value created within the network. Some factors to consider include:

  (i) Reducing *multihoming*, which occurs when users or providers engage with multiple platforms (e.g. using both Uber and Lyft) thus diluting a firm's market share.

  (ii) Reducing *disintermediation*, which happens when users and providers bypass the platform once they've established a direct connection. Firms can counter this by lowering fees or adding unique services to retain their users.

  (iii) Increasing *network bridging*, i.e. connecting various networks to enhance value. For example, Alibaba linked its e-commerce platform to financial services, allowing it to use transaction data to offer credit.

KEY QUOTES

"These self-reinforcing loops in network and learning effects make a big difference in the nature of competition."

"Strategic analysis should examine the nature and potential of all applications to discover what uses may be made of complementary networks, considering the full variety of possible network interactions."

Building an AI-Driven Organization

After analyzing more than 350 enterprises across multiple sectors, the authors identified several principles and stages of AI transformation.

To make the transition from traditional to digital models, there are **5 principles for AI transformation**:

- *Strategic clarity*: Leaders must define clear goals, align resources behind those goals, and continually reinforce the vision.
- *Architectural clarity*: Have a clear vision of the future operating architecture, then integrate data, analytics, and AI into a unified framework to create a single source of truth.
- *Agile mindset*: Adopt agile methodologies, embedding AI into product design and decision-making at all levels.
- *Governance*: Go beyond technical security to develop ethical, responsible AI policies, engage stakeholders, and address societal impacts.
- *Capability development*: Invest in talent and build AI capabilities with robust data science.

There are usually **4 stages in becoming an AI-powered company**:

- *Siloed data*: Organizations begin with data dispersed across different departments. They might rely on basic tools like Excel spreadsheets, and outsource data analysis to external vendors or consultants.
- *Pilot projects*: Firms use small-scale initiatives to show the potential of data-driven decision-making, but without major structural changes.
- *Data hub*: Firms centralize their data to create a unified platform. This requires significant technological investments, as well as a cultural shift towards data-driven thinking.
- *AI Factory*: Firms develop a standardized AI operating model including centralized data, powerful algorithms, and modular software components. They focus on building AI skills

KEY QUOTES

"To operationalize a new strategy, especially one involving transformation, it's imperative that there be no doubt as to the seriousness of the effort, its sustaining power, and the clarity of the end goal."

"Even the most advanced AI factory in the world will not deliver the promised value if it is not embedded in an operating model that leverages its strengths."

"At the heart of it, building an AI-centric operating model is all about taking many traditional processes and embedding them in software and algorithms."

across the entire organization and continuously evolve their AI-driven systems to improve decisions and operations.

The last transition from Data Hub to AI Factory is the most challenging as it involves a complete overhaul of how data is used and requires capabilities to be built across the organization. However, companies that achieve these also saw the most **substantial benefits**, ranging from enhanced customer experience to risk mitigation, operational efficiency, and market insight.

Case studies: Netflix and Microsoft

Netflix is a great example of how firms can use data and machine learning to drive user engagement and operational efficiency.

- Netflix's AI Factory began with a *recommendation engine* that personalized user experiences, significantly boosting user engagement and viewer retention.
- As its subscriber base grew to millions, it leveraged its *expanding dataset* to generate deeper insights into user preferences and behaviors, such as:

  (i) *Optimizing thumbnail images* to create the most appealing visuals for each user to increase click-through rates;

  (ii) Predicting the *types of content* that would resonate with various audience segments, then producing or acquiring the ideal types of shows and movies; and

  (iii) Predicting drivers of *customer loyalty*, identify at-risk users and design personalized retention strategies.

- Today, Netflix has grown to *over 150 million subscribers* across 190 countries, delivering more than 5,500 shows on its platform.

Microsoft's transformation was even more comprehensive. To transit from a traditional to digital model, it had to address many cultural, operational, and technological challenges.

- When Satya Nadella took over as CEO of Microsoft in 2014, it was at risk of becoming obsolete. Nadella set a *clear and bold mission* to "empower every person and every

KEY QUOTES

"Ultimately, the AI-centric firm, with its vast variety of AI-driven processes, is the actual "product" of a modern, transformed, core services organization."

"The first essential principle in transformation is to develop strategic clarity and commitment."

organization on the planet to achieve more," signaling a move away from a Windows-centric strategy to a broader focus on cloud computing, AI, and cross-platform solutions.

- Microsoft invested heavily in *AI and cloud capabilities*, focusing on their cloud platform Azure, and integrating AI capabilities into Microsoft's software products like Office 365.
- They positioned Azure as a *modular digital operating system* that could be integrated with various technologies. They made Azure's architecture open and scalable, with the use of APIs, AI models, and data layers.
- They also formed *strategic partnerships* with other industry leaders, and acquired platforms like LinkedIn and GitHub to expand Microsoft's influence in AI and cloud. They developed a partner ecosystem that integrated Azure with other digital and AI-driven platforms to accelerate AI adoption across industries.
- These were supported by *cultural and organizational changes*, with a focus on continuous learning and collaboration. They broke down internal silos, encouraged data sharing and cross-functional innovation, and promoted a growth mindset with experimentation and embracing failures as part of the learning process.
- Under Nadella's leadership, Microsoft became a *leader in the cloud computing space*. Azure was positioned as one of the top cloud platforms globally, able to compete directly with Amazon Web Services (AWS).

Addressing Ethical and Leadership Challenges

To thrive in the new digital era, leaders must understand the new rules of the game, and address a range of strategic and operational challenges.

Understanding the New Rules in the Era of AI

As we've seen, the dynamics of businesses, competition, and the economy have changed. To compete effectively, organizational leaders must understand these new rules or meta in the age of AI.

KEY QUOTES

"Building this foundation will take time, but much can be done with a small number of motivated, knowledgeable people."

"Balance conviction with patience."
—Satya Nadella

"A new meta is like changing the moves allowed on a chessboard or the rules of bridge halfway through a game. The age of artificial intelligence is changing the game for all of us."

Change is widespread, not isolated. Changes driven by AI and digital networks affect entire systems, not just specific areas or industries. Such changes are instant and global, impacting multiple sectors, markets, and societies all at once.

Value creation is shifting away from physical assets and specialized resources to digital platforms and networks. Data has become the biggest competitive differentiator in this era, and firms that can gather, analyze, and act on data insights gain a significant edge over their competitors.

Conventional industry boundaries no longer hold. AI allows companies to easily expand their scope and enter/disrupt markets beyond their traditional areas of focus. Companies no longer need to specialize or compete just within their industry; they can quickly become significant players in entirely different sectors.

In a digital-first environment, processes are automated and optimized to run with **little/no friction**. AI-powered firms can adapt seamlessly to new inputs without traditional bottlenecks, moving and growing ever faster. However, they may also be more unstable, like a car without brakes that can't stop accelerating.

The **distribution of wealth and power will become even more imbalanced**. Not only do hub firms (e.g. Google, Facebook, WeChat) influence larger numbers of people and industries, they can easily link to one another to gain even more advantages over individual firms or standalone organizations. In fact, they're reshaping entire economies and the flow of power and value.

Ethics in the Age of AI

The rise of AI-driven companies presents 5 sets of ethical challenges.

Digital amplification: Digital platforms can amplify both positive and negative effects at an unprecedented scale. A small bias or error can grow exponentially as it spreads through digital networks to impact many users.

- For instance, during elections, false information about candidates can spread quickly, influencing public opinion and potentially altering the elections outcome.

KEY QUOTES

"Our new engine of change appears to be tackling all industries, globally, at just about the same time.

"We are moving from an era of core competencies, differing from firm to firm and embedded deep in each organization, to an age shaped by data and analytics, powered by algorithms and hosted in the computing cloud for anyone to use."

"Removing friction is not always a good thing. Frictionless systems are prone to instability and have difficulty finding equilibrium... Once in motion, frictionless systems are hard to stop."

"Leaders are finding their business and operating models at risk if they do not understand the dynamics of scope expansion."

"In new as well as old firms, leaders should be aware of how their newly deployed digital capabilities can be used and misused in ways they never intended—or possibly even imagined."

Algorithmic biases can be embedded in AI systems due to flawed data or prejudiced algorithm designs.

- This includes *selection biases* (where the data used for AI training isn't representative of the population it will serve) and *labeling biases* (where the labels applied to training data are influenced by human prejudices).

Cybersecurity: As digital ecosystems grow, so do their vulnerabilities to cyber attacks.

- Threats include *data breaches* (unauthorized access to a company's data like customers' details or financial records), *system hijacking* (attackers taking control of a company's systems/data for their own gains/purposes) and *ineffective responses* to cybersecurity threats..

Platform control: Digital platforms have immense power over what content is distributed, shared, or suppressed, affecting societal narratives and even democracy.

- For instance, companies like Google or Facebook can use their control over vast amounts of user data to limit competition by prioritizing their own products or services in search results and recommendations.

Fairness and equity: AI and digital technologies might disproportionately benefit some groups while excluding or leaving others behind. This includes people with less access to technology or those who are marginalized due to biased algorithmic decisions.

Leaders of digital organizations have the responsibility to ensure their technologies are used ethically and inclusively. These include:

- *Promoting transparency and accountability* to ensure AI-driven decision-making processes are transparent and understandable to users and stakeholders.

- *Ensuring fairness and inclusivity* in AI systems/design. Create multidisciplinary teams to audit AI algorithms for bias, promote diversity in data sources, and actively seek to remove prejudices in decision-making processes.

- *Building trust through ethical data use*: Prioritize data privacy and user consent and respect user preferences in data usage.

KEY QUOTES

"Navigating the ethics of digital scale, scope, and learning has become a universal management imperative."

"The same hub firms that benefit from the ecosystems they control have important reasons to sustain the economic health of not only their shareholders but also the broader communities they are organizing and serving."

"While the problem is real, it is also important not to fall in love with simplistic solutions...we should work to fix and improve digital operating models, and not destroy them.

"The greatest responsibility lies in the organizations that wield the most power and occupy the central network positions in our economy and society."

- *Strengthening cybersecurity and risk management* by investing in advanced cybersecurity technologies, training employees on data security best practices, and collaborating with industry experts to stay ahead of evolving threats.

- *Ethical decision-making and governance*: Establish ethical frameworks that guide AI and data-related decisions at all levels, such as ethical review boards to oversee AI projects, organization's strategic goals.

Navigating Leadership Challenges

Despite the massive potential of AI, most leaders and managers today are still using frameworks suited to a pre-AI world. Many of them lack the knowledge and flexibility for AI-driven business models, leading to a **gap between business potential and managerial approaches**.

Leaders of AI-powered firms must focus on **4 key pillars**, each requiring distinct skills and strategies:

- Leaders must guide their organizations through *continuous transformation* in face of rapid changes. This goes beyond digital upgrades to include a rethinking of business models, operations, and strategies. Leaders must create agile teams, flexible structures, overcome resistance to change, build technical expertise, and transform the organizational culture.

- *An entrepreneurial mindset* is essential for all types of companies today, not just startups. Leaders must foster a culture of innovation and agility, where people embrace ambiguity, experimentation, risk-taking, and data-driven decision-making.

- Leaders must also understand and influence the evolving *regulatory landscape* around AI and data. This includes navigating complex AI-related laws and policies, and balancing the need for innovation and compliance.

- Leaders are also responsible for building a strong, trusting relationship with customers, stakeholders, and the broader *community*. They must ensure that AI technologies not only address business goals, but also benefit society as a whole.

KEY QUOTES

"Most platform companies [seek] to shape and control its ecosystem and make sure that its tools and technologies do not cause harm. But how to properly exercise such control is not at all obvious."

"In contrast with the current wealth of data, analytics, and AI, we still appear to be suffering from a shortage of managerial wisdom."

"Managers will have their work cut out for them, as they reflect on their evolving role in our increasingly digital economy."

"Transformation…starts at the top, with motivating and grooming a generation of leaders to do the hard work involved."

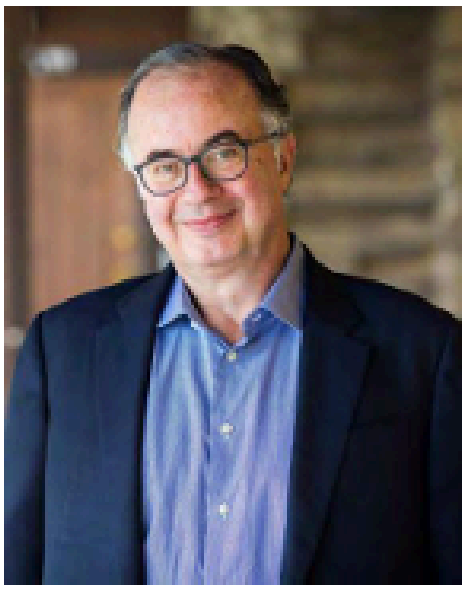
"Transformation does not apply only to traditional firms…every hub company must transform to survive and must do so repeatedly."

In this era, no single leader or individual can navigate the complexities of AI and digital transformation alone. Instead, we need **collective intelligence**—to leverage insights from teams, communities, and AI itself. This in turn requires: a learning and collaborative culture, diversity and inclusion, transparent decision-making, and balancing AI's analytical capabilities with human creativity and intuition.

Other Details in the Book to Look out For

AI is here and it's already transforming every aspect of the business landscape. To thrive, we must learn to ride the wave of innovation. This book includes detailed case studies ranging from fitness to grocery delivery and finance, with critical insights and frameworks on how to adapt and thrive in the age of AI. For more details, please visit www.ageof.ai.

About the Authors



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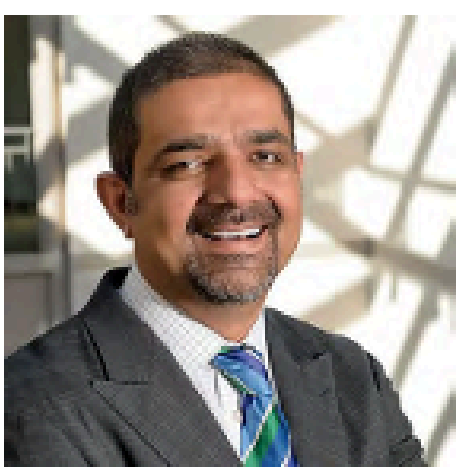
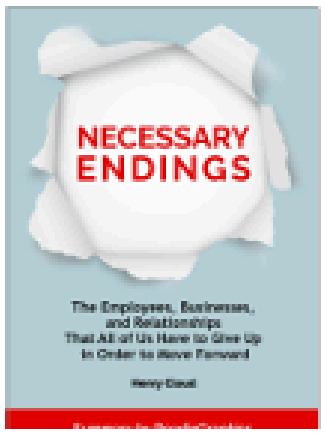
Karim R. Lakhani is a professor at Harvard Business School, where he leads research on AI, digital innovation, and crowdsourcing. He is well-known for his expertise in technology-driven entrepreneurship and the development of AI-based strategies for companies across industries.



KEY QUOTES

"We must find wiser ways to lead the increasingly digital firm...we must find better ways to manage the new assets and capabilities that are being created and deployed, every day, across every organization."

"There is no longer a rationale for staying behind, doubling down on old strengths and capabilities, and ignoring the emergence of a new operating model that is overwhelming every major sector of the economy... No organization should be standing still."



NECESSARY ENDINGS

The Employees, Businesses, and Relationships
That All of Us Have to Give Up
in Order to Move Forward

DR. HENRY CLOUD

The Big "So What"

Often, we must end something before we can begin something else. Yet, it's hard to know when an ending is necessary, and it's even harder to execute it. In this book, Dr. Henry Cloud explains why endings are so difficult, and presents specific strategies and tools to help us move on at the right time.

Introduction

Endings—such as a loved one's death, a divorce, or being laid off—are an inevitable part of life. When we avoid endings or handle them badly, we get stuck in problematic situations, miss out on opportunities, and repeat the same mistakes.

Often, we must end something bad before we can start something good. We may have to "kill" something that we created, or give up something we used to cherish (e.g. ending a toxic relationship or shutting down a failed project/business) to move on to something better.

- *There's a season for everything*: living and dying, building and deconstructing, mourning and celebrating, etc. We have to end infancy to start toddlerhood, and leave an old job to move to a new one. Likewise, businesses must let go of old products, strategies and business models to stay relevant.

- In this book, Dr. Cloud explains how you can *proactively navigate endings* to move toward your goals, and to bring relief, hope, and growth.

KEY QUOTES

"Today may be the enemy of your tomorrow."

"When we fail to end things well, we are destined to repeat the mistakes that keep us from moving on."

"Good cannot begin until bad ends."

"Often, in necessary endings, you have to give something up or be willing to lose something in order to gain it."

What are Necessary Endings and Why They Matter

All living things need energy to grow, and we have limited fuel to sustain that growth. To thrive and reach your full potential, you must channel your finite time, money, energy, and talents toward a specific vision. If you spread your resources too thinly, you'll dilute your focus and results.

To grow and thrive, we need 3 types of necessary endings. It's like how a gardener tends to a rosebush by pruning away 3 things:

- What is *good, but not the best*: All plants, such as rosebushes, generate more branches and buds than they can fully support. Gardeners remove the sub-optimal buds/branches to free up resources for the best roses to reach their full potential. Likewise, people and businesses take on more than we can handle sustainably, so we must prune away the less essential items.

- What is *sick and won't recover*: Sometimes, no amount of effort and resources can heal a sick branch. Gardeners prune away such branches to free up resources for the healthy ones. In our life and business, we get stuck with certain issues when we keep doing the same thing and expecting a different outcome. Learn to let go of the old in order to embrace the new.

- What is *already dead*: Dead buds/branches occupy space and block the healthy branches from reaching their full height and length. Likewise, we need to remove the stuff that take up dead space in our lives.

Despite their necessity, endings make us uncomfortable because it's human nature to avoid loss, pain and uncertainty. We don't want to confront or hurt others, or we may lack the skills to execute the endings effectively.

- Take a moment to do a "*gut check*". Examine your beliefs, thoughts and feelings about pruning and endings. What do you feel when you think about ending or pruning away something? Do you encounter any inner discomfort or resistance?

KEY QUOTES

"Are you only achieving average results in relation to where you or your business or team is supposed to be?"

"Both businesses and individuals will begin, gather, and have more activities than they can reasonably sustain."

"To do the same thing over and over again expecting different results is not only crazy, it is a recipe for staying stuck."

Before you start pruning, define the purpose and standards that you're pruning toward.

- Necessary endings should help to achieve your *strategic mission or purpose* in life. Consciously apply the 3 types of necessary endings—the good, sick, or dead—to all areas of your life, e.g. improving your relationships, business strategies, or project effectiveness.

- Former CEO of General Electric (GE), *Jack Welch*, is an example of someone who was crystal-clear on what he wanted. His relentless focus drove GE's revenue from $26bil to $130bil during his tenure. Welch based his pruning decisions on 4 criteria:

  (i) GE would only be in businesses where it could be #1 or #2;

  (ii) Any business that was struggling must be fixed, closed, or sold;

  (iii) The bottom 10% of the workforce was fired each year; and

  (iv) All layers of bureaucracy that hindered ideas, communication and productivity were removed.

Moving Forward with Necessary Endings

Normalize Endings

Start by seeing endings as a normal part of life, instead of seeing them as problems. This moves your brain out of fight-or-flight mode and into problem-solution mode.

See things as they really are, not as you wish them to be. Instead of hoping for things to remain unchanged forever or wishing for unlimited time/resources, accept reality so you can deal with it. Normalize endings with 3 organizing principles:

- *Embrace life's seasons and cycles*. Realize that everything moves in cycles, e.g. day and night, life and death. Match your activities to the life season that you're currently in.

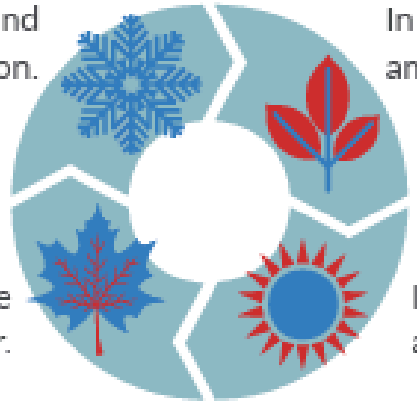
KEY QUOTES

"Pruning is strategic. It is directional and forward-looking."

"Pruning can bring health into the small branches of business or life as well as the big."

"If you see [endings] as normal, expected, and even a good thing, you will embrace them and take action to execute them."

"In business and life, there comes a moment when that reality must be seen and grasped."



(i) In *spring*, prepare the fields/resources, sow the seeds, and lay your foundations for growth. A business may build its network, hire new staff, or secure new clients.

(ii) In *summer*, tend to the crops, protect them from pests and diseases, and prune the plants as they grow. As a business grows, it must manage its resources and systematize its operations.

(iii) In *autumn*, harvest the crops before they deteriorate, taking care not to deplete/harm the fields. In business, you must be ready to harvest low-hanging fruits or opportunities.

(iv) In *winter*, close your accounts, organize your resources, repair your equipment, and review your successes and areas for improvement. Rest, regroup, and prepare for the new season.

Don't sow when you should tend, or tend when you should harvest. It's also unsustainable to stick solely to 1 season (e.g. to only sow or only harvest).

- *Accept that there will always be excesses in life*. Life generates more life, and every individual or organization will accumulate more things that they can sustain.

  (i) For example, you'll have more relationships than you can develop fully, more activities than you can sustainably commit to, or more things than you can store. When you juggle too many things, quality naturally drops. Good companies can have too many customers, partners and business activities, and must shut down certain programs or product lines.

  (ii) You will also have partners, products, or strategies that become outdated or irrelevant over time. Let go of what's no longer essential, so you can focus on what matters.

KEY QUOTES

"Believe in life cycles and seasons. They are real."

"When the numbers are too high, quality suffers."

- *Accept the existence of evil and terminal illnesses*. You will encounter destructive or incorrigible people who will harm or drain you. Protect yourself and cut them out of your life.

Examine your Internal Maps

Our beliefs and experiences shape how we see the world. Become aware of the mental maps that keep you stuck, so you can change them.

Neuroscience research found that the more we think and behave in a certain way, the more it creates and reinforces certain pathways in our mind. Eventually, we form mental maps which shape how we see the world, think and act.

- Pain is nature's way of telling us that something needs our attention. For example, if you put your finger over a flame, the pain alerts you to remove your finger quickly. However, we can get so used to pain that we assume it's the norm and there's nothing we can do about it. Psychologists call this "*learned helplessness*".

- When things seem helpless, use this exercise to regain a sense of control, get unstuck, and gradually *redesign your mental map*:

  (i) Create 2 columns on a piece of paper. On the left side, write down all the things *beyond* your control e.g. weather, market conditions. Then, on the right side, write down the things you *can* control e.g. reaching out to new contacts, learning a new skill.

  (ii) You can also brainstorm ideas/options as a team.

Your internal maps come from a mix of your **beliefs and past experiences**, especially those from your formative years. For example, you may find it harder to leave a dysfunctional relationship if your parents had a similar relationship. Consider if any of these 5 beliefs are holding you back from necessary endings.

- Having an *unusually high pain threshold*. You get so used to numbing or suppressing your pain that you tolerate issues which can/should be addressed, such as an under-performing employee or an abusive spouse.

KEY QUOTES

"Pain by its nature is a signal that something is wrong, and action is required. So pain should be driving you to do something to end it."

- *Covering for others* out of a desire to be responsible or nice. You end up shouldering others' responsibilities and thinking that everything depends on you.

- *Equating endings with failures*. You refuse be a "quitter" and persevere at all costs—even if it hurts your health and relationships, and there are better ways to use your energy, effort, and resources.

- Feeling *mistaken loyalty* toward others. You take on others' burdens at your own expense. You keep thinking "I'm doing this *to them*" instead of thinking "I'm doing this *for me*".

- Creating an *unhealthy dependency* by helping people who refuse to take responsibility for their own growth and outcomes.

Get to the Moment of Change

You need some hope to persevere in face of difficulties, but not so much that you live in denial and cling on to something long after it's time to let go. The "pruning moment" comes when we embrace reality and realize that it's hopeless to keep doing what we're doing.

Sometimes, such realizations come from past experiences.

- When Julie Shimer became the CEO at Welch Allyn, the company was in a leadership position, and the employees were satisfied with their existing products. However, Shimer's experience with Bel Labs and Motorola had taught her the risks of sticking to a "proven" technology. So, she hired a consultant to thoroughly assess the market and Welch Allyn's position. She concurrently worked with the team to define how they could best serve their clients (doctors and nurses).

- The team envisaged a future where medical staff could enjoy Welch Allyn's solutions with the same experience on any device, much like how Apple's products work seamlessly on a single platform. They quickly realized that the only way to achieve this vision was to phase out the technology they had used for almost 100 years, and to adopt a new integrated platform for all their medical devices.

KEY QUOTES

"Failing well means ending something that is not working and choosing to do something else better."

"Necessary endings happen when you get to a 'good hopelessness'."

"To continue our legacy of being a leading innovator, we had to change to a new and much bigger chapter in Welch Allyn's history."
—Julie Shimer, former CEO of Welch Allyn

If you don't have the experience to know if an ending is necessary, you must rely on diagnostics (below) to gauge if there's real hope for change, or if you're just engaging in wishful thinking.

To identify if you should keep investing time/effort in someone, or if you should initiate an ending, look at their track record.

- Have they *consistently performed* up to expectations in the past?
- If not, are some of these *9 factors* present to suggest that things could change in the future?

  (i) Participation in *valid change processes*, e.g. rehabilitation or counseling.

  (ii) New change structures, e.g. scheduled updates to a trainer.

  (iii) Monitoring systems to track progress/performance.

  (iv) New skills, experiences, or know-how.

  (v) A real need to change, with signs that they're taking ownership of the problem and actively looking for solutions.

  (vi) Self-motivation to sustain the change.

  (vii) Support from like-minded people (e.g. we're more likely to become overweight if we're surrounded by overweight people, and vice versa).

  (viii) Help from people with the right skills/experience.

  (ix) Evidence of success or progress.

  Without these factors, you must expect more of the same from that person.

You can also diagnose someone's character. Know which of these 3 types of people you're dealing with, and adapt your strategy to the person/situation accordingly.

- *Wise people* embrace feedback and adjust their behaviors accordingly, to gain wisdom from their experiences. They

KEY QUOTES

"Nothing mobilizes us like a firm dose of reality...only reality gets us to do difficult things."

"The best predictor of the future, without other variables, is the past."

"It is often irrational to listen to a seemingly good idea from a proven nonperformer."

"We are looking for some sort of movement, instead of ongoing stagnation."

"While hope is a great virtue, hope in unreality is not."

"When truth presents itself, the wise person sees the light, takes it in, and makes adjustments."

genuinely regret it when their actions create a negative impact on others, and seek to improve.

  - When dealing with wise people, talk through the issues, discuss possible strategies, and give them resources to solve the problem.

- *Foolish people* are the opposite. They're unreceptive to feedback, find excuses for their actions, and blame other people or external circumstances. They dismiss their impact on others, refuse to take ownership of the problem, and even see themselves as the victims.

  - When dealing with foolish people, don't bother discussing the problem or giving them resources because they won't listen or change.

  - Instead, set clear limits and consequences. Highlight the lack of change/progress, set limits to minimize the negative impact on others, and let them feel the repercussions of their action/inaction. For example, "Jim, we discussed this issue several times, but there has been no improvement and it has affected the entire team's performance. If this next deadline is not met, I'll be replacing you with someone who can do what's needed."

- *Evil people* will seek to harm or even destroy you.

  - When dealing with such people, don't try to help or change them. Protect yourself physically, emotional and financially. Distance yourself as much as possible, and preferably limit any communication through lawyers or law enforcement officers.

Don't expect people to change long-standing patterns of behavior unless there's strong evidence of the 9 factors above to suggest otherwise. However, you can facilitate changes by:

- Helping people to operate optimally in their areas of *strengths* rather than weaknesses. If your colleague or spouse is better at technical details, don't push them to work on creative tasks.

- Bringing in the right *wisdom or know-how*, e.g. hire consultants or experts who have the skills/experience that you lack.

KEY QUOTES

"The fool tries to adjust the truth so he does not have to adjust to it."

"Whereas you talk to wise people about problems and you talk to fools about consequences, do not talk to evil people at all, period."

- Infusing the right levels of *energy and structure* to drive the change. This could come in the form of additional manpower, partners, daily reviews, or monthly meetings. It's like having a regular intake of food/nutrients to sustain your body.

Make the Change and Sustain It

Endings are hard. Without deliberate effort, you're likely to avoid them or return to old patterns/habits.

There are several internal barriers which can hold you back from a necessary ending.

- Such *barriers* include:

  (i) *Conflicting desires* that keep us from acting decisively. For example, you believe you should end a relationship, but you also believe it's bad to hurt others.

  (ii) A *hoarder mentality*, which is associated with the fear of losing out. You hold on to things just in case you need them in the future, or cling to outdated ideas/models in hope that things may turn around.

  (iii) *Putting things off* by telling yourself you'll do it "later", or justifying the status quo by looking selectively at the good aspects while neglecting the bad ones.

- *See the full picture*—both the good and the bad—so you can deal with the situation more realistically.

- Be clear on your desired outcome, but *hold it loosely* so you can adapt if circumstances change. Don't cling on to something (e.g. a title or relationship) too tightly, as it may actually increase your risk of losing it.

You're also likely to encounter external barriers to change. This includes people who resist/thwart your efforts because (i) the change doesn't serve their interests, (ii) they feel threatened by your progress, or (iii) it's simply their nature to oppose any idea regardless of whether they have valid reasons.

KEY QUOTES

"Endings, no matter how needed, are hard."

"Incompatible wishes are a formula for resistance."

Create urgency and momentum to initiate and sustain change. Concurrently play up the fear of bad things that will happen if you don't take action, as well as the rewards if you do.

- Imagine the future as vividly as possible, like playing a movie in your mind. If you're frustrated with a colleague's non-performance, imagine speaking with him/her on the same issue 6 months, 1 year, and 2 years from now. *Experience the future misery* now so you'd feel motivated to act.
- Concurrently hold a *clear vision* of the future you'd enjoy if you take action today. Regularly see, hear, and feel the details as if you're already living it. Write it down, talk about it, and surround yourself with pictures that remind you of the vision. Get attached to that future so you'll be motivated to stay on the path.
- If the people who must make the changes are too distant from the problem, get them to *experience the pain first-hand*. For example, get product developers to use their products or observe customers struggling with them.
- Find *allies or supporters* who will support your goal and push you to move forward. Surround yourself with people who already live the desired end-state. At work, find influencers to spread the new norms. If necessary, bring in external resources (e.g. a coach or accountability partner), or get someone with authority to step in.
- *Establish structure* in the form of timelines, milestones, action plans, review sessions, resource allocation, and so on.
- Set *firm deadlines* with specific consequences if the requirements are not met.
- Track your *key metrics* to monitor if you're making progress.

Equip Yourself for Success

Master the skills and strategies to execute endings effectively.

Use self-selection to achieve your desired outcomes without having to judge or reject people. Set your standards clearly, then let others decide if they're willing to match your standards.

KEY QUOTES

"We need is to make the threat to our future as real in our minds as it is in reality."

"The external structure creates the rails for the train to run on."

- For example, a woman was in a dilemma because she couldn't decide if her boyfriend was the right partner for her. At Dr Cloud's suggestion, she explained the situation honestly to him—that she loved him but couldn't see herself marrying him unless he started to plan ahead and take financial responsibility for their future. By laying out what she wanted, she could stay true to herself and let *him* decide if he was willing to change to be with her.

Ending conversations can be difficult and uncomfortable. Unless you prepare for the conversation, you're likely to side-step the issue.

- *Specify your end-goals* in advance, e.g. "to express that I care for him", or "to say that I'll call the police if he contacts me again".

- *Address conflicting desires*. Come to terms with the fact that you can care about someone, yet have to share a painful truth for their own good. Commit to be clear, honest, yet compassionate.

- Prepare the key points or a script. Then, get someone you trust to *rehearse the conversation* with you and provide feedback.

- *Adopt the right tone*. People tend to be more receptive when you adopt a soft/caring tone, empathize with them, and validate their feelings.

- *Separate the issue from the person*. Validate the person and the relationship, while clearly explaining why the issue necessitates an ending.

- *Invite the person to repeat* what he/she heard, to ensure the message has been clearly understood.

- Once you've truly decided on an ending, *do it decisively*. Don't leave loose ends to be tied up later. So long as you're clear and kind in your communications, the outcome will usually be positive.

- As a rule of thumb, don't burn bridges except with evil people. In those cases, you should consider having a third party (e.g. a lawyer, HR personnel, or friend) to join you as a *witness*. Make sure you document the discussion clearly in writing.

KEY QUOTES

"Just as in pulling a tooth, quickly and thoroughly is usually best."

"Don't leave an open door or window if you don't want one. Close it now, so you will not have to do it again."

Internalize the ending so you can move toward your desired vision.

- *Embrace the grief* rather than avoiding or denying it. This helps you to accept the ending and move on. You can even hold a symbolic "funeral" to create a proper closure.

- Take some time to *dissect the experience* so you don't repeat the same mistakes or patterns. Ask yourself: (i) what can you learn from the experience, and (ii) what should you consciously let go? It's like how your body metabolizes food by breaking it down into nutrients (that you absorb) and waste (that you discard).

Conclusion and Other Details in the Book

To live to your true potential, you must make the most of where you are right now, *and* do what's necessary to move toward your vision. Start by taking stock of the things that are draining you emotionally, physically, mentally, energetically, spiritually or financially. Then, look for ways to stop and reverse the negative outflow. If that's not possible, then it may be time to plan an ending.

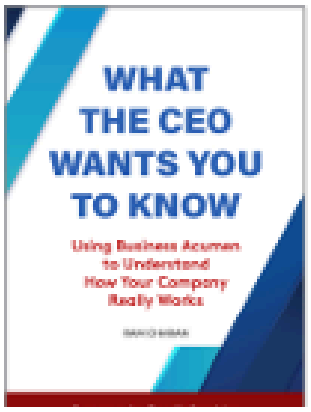
This book is written in a casual, conversational style, with many real-world examples and anecdotes from the author's experiences. For more information, please visit https://www.drcloud.com/.

About the Author

Dr. Henry Cloud is an author, coach, speaker, and clinical psychologist. He has authored 45 books, and coached many leaders, executives and teams on performance, leadership skills and culture. Dr. Cloud founded and built a healthcare company for 10 years, before selling the company and devoting his time to consulting, coaching, speaking, and writing. He holds a BS in psychology with honors from Southern Methodist University, and a PhD in clinical psychology from Biola University.

KEY QUOTES

"At any given moment, you are an amalgam of what has happened up until that moment."



WHAT THE CEO WANTS YOU TO KNOW

Using Business Acumen to Understand How Your Company Really Works

RAM CHARAN

The Big "So What"

To do well in any profit or non-profit organization, you must understand how your company truly works. This book helps you to develop business acumen and learn the universal language of business. It allows you to become better at any job, feel more engaged and fulfilled with your work, and make a bigger impact.

Introduction

Every business has the same fundamentals. This is true for a roadside stall or a Fortune 500 company, a profit or non-profit organization. Great CEOs (i) possess great business acumen and (ii) help everyone in the company to understand these fundamentals.

The insights in this book are relevant for business leaders and anyone who wishes to make a bigger impact in their work. They're especially helpful for 2 groups:

- *Millennials* born between 1982-2000 who will be propelling the digital revolution and holding key leadership positions in the coming decades; and
- *Business-to-business (B2B) salespeople* who must understand their clients' businesses in order to prove that they bring real value.

This summary is organized in 2 parts: (i) learning the 4 business fundamentals, and (ii) applying the fundamentals in the real world.

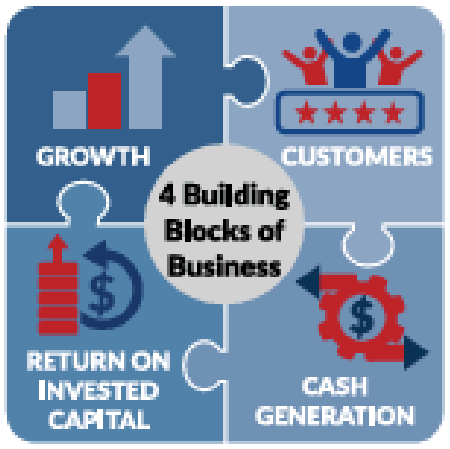
KEY QUOTES

"The best CEOs are like the best teachers."

"I want to share with you...what the CEO wants you to know, so that you can learn, grow, and make a greater contribution to not only your organization but the world around you."

Mastering the Universal Language of Business

All businesses—regardless of size, type or industry—have the same 4 building blocks: customers, cash generation, return on invested capital, and growth.



- Imagine you're a *street vendor* selling food.

  (i) You must decide how much ingredients to buy based on how much you expect to sell that day (sales forecast). You must decorate your stall (retail display) or compare what rivals are doing (market analysis). You must set prices and possibly offer discounts at the end of the day to get rid of the perishables. You might shout to catch customers' attention (advertising) or add set-meals and promotion items (product bundling and customer value).

  (ii) You must also consider your profit margin (how much cash you keep as a percentage of the total cash you earn). You may increase your margin by raising prices (but not so much that you lose customers) or buying cheaper ingredients (provided it won't hurt your food quality). You may also consider whether to add more dishes or just sell a few high-margin items. You know you're doing well if you generate enough money to buy the next day's ingredients and still have extra cash left in your pocket.

- Likewise, an *automobile company* must decide how much materials to order, what prices to set, when to run a promotion, and how to do so without cheapening the brand. They must decide whether to invest in a new manufacturing plant and make sure they have enough cash to pay for production, rental, operations and employees' salaries.

- Operating a public-listed company is more complex than running a street stall. Yet, *the fundamentals are the same*. The street vendor merely juggles all 4 building blocks in his mind while a large corporation must do it on a much bigger scale. They must:

  (i) Satisfy *customers* better than competitors;

KEY QUOTES

"The language of business is the same everywhere."

"Business is always changing, but the basics remain the same."

(ii) Generate enough *cash* to stay in business;

(iii) Produce a *good return* on the money invested in the business; and

(iv) *Grow* the business profitably.

To do well, a business must master all 4 fundamentals and integrate them.

- Most employees see their work through their *specializations or silos*, e.g. engineering, sales, or accounting.
- Once they can *see the big picture*, trade-offs and interdependencies across functions, they'll be in a better position to help the business to grow and thrive. In the process, they'll feel more connected to their work and company, can identify opportunities, make better suggestions, create a greater impact and accelerate their career progression.

1. Customers

You can't have a business without customers, and a company can only thrive if it has satisfied customers.

- Know your *customers* (the people who buy your products) as well as your *consumers* (the people who use your products). For example, Procter and Gamble must consider the needs of its customers (retail stores like Target) and end-consumers (people who use their diapers, shampoos etc.)
- Know *what your customers/consumers are truly buying* and why. Are they buying your product, or are they actually buying convenience, reliability, or a peace of mind? You earn their loyalty when you can consistently deliver what they truly need/want.

The best way to understand your customers is through personal observations. Don't rely on surveys, focus groups or analytics alone.

- Study the *end-to-end customer experience*, i.e. how customers interact with your product at every step of the buying journey.

KEY QUOTES

"No matter what we do for a living, will be better at our jobs if we learn how moneymaking tools are applied within our organizations."

"Learning to speak the universal language of business will advance your career."

"If you don't have a customer, you don't have a business."

"The CEO wants you to know your company's customers."

(i) If you're a retailer, try observing how many customers leave your store without making a purchase. Identify the stores they visit before yours (by looking at the shopping bags they carry) and the ones they visit after that. Talk to a handful of customers each week to learn what they're thinking.

(ii) Speak directly to your end-users as well as your distributors or wholesalers (if any). Don't go through a middleman.

- Once you have an insight (e.g. changes in lifestyle or new products they may like), *test it with the customer*.

2. Cash Generation

Any business needs cash to operate and grow. Cash generation refers to the difference between cash that flows *into* the business and cash that flows *out* of it, in a given period of time. This is also known as "cash flow."

- Sources of *cash inflow* include: cash, checks, credit card payments and product sales.

- Sources of *cash outflow* (how the money is used) include: salaries, taxes, or payments to suppliers.

Know the difference between cash vs income.

- Most companies sell their products/services first and collect the money later. The money owed to them is called *accounts receivable*. They also buy supplies first and pay for them later. The money they owe is called *accounts payable*.

- Companies can *get into trouble* due to low margins, high expenses, or when they take too long to sell their products and collect receivables. Look for warning signs such as decreasing cash, income or profit margin. A company goes bankrupt when it doesn't have enough cash and can't borrow more.

- On the other hand, a company with cash can invest it to *build capabilities* to generate even more cash. Take Amazon for example. It started out by selling books without any book inventory. It processed the orders online and shipped them

KEY QUOTES

"Invested wisely, cash improves the company's moneymaking ability."

directly from others' distribution facilities, which meant they could receive money from customers upfront and pay for the books much later. The cash generated could then be used for marketing to bring in even more sales. Amazon later added a variety of third-party products, which allowed them to earn commissions without carrying inventory or handling fulfillment.

Any employee can contribute to cash generation. Know your company's cash situation and how to improve it. Ask yourself:

- Is your division or department generating cash for the company? Is your company generating *net cash*?
- Which of your own actions generate cash or use cash? How can you *improve cash generation*? For example, a sales rep can negotiate for clients to pay in 30 days instead of 45 days. A production manager can reduce inventory levels to free up cash. Even mailroom clerks can ensure outbound invoices or inbound checks are processed asap so they're converted to cash.

Gross margin is crucial to cash generation.

- *Net profit margin* = Revenue minus all expenses, *including* all operating costs, taxes and loan interest payments.

$$\text{Net Profit Margin} = \frac{\text{Revenue} - \text{All Expenses}}{\text{Revenue}}$$

- *Gross margin* = Revenue minus the costs of goods sold (COGS). COGS refers to the costs *directly* associated with creating the product/sale, such as materials and direct labor costs. It *excludes* other costs like taxes, interests, distribution or general administration. It tells you how profitable a product is, e.g. if you pay $60 for ingredients and labor for every $100 sold at your food stall, you have a gross margin of 40%. You can increase your gross margin by changing your mix of products, customers, prices, distribution channels, and the material/labor costs involved.

$$\text{Gross Margin} = \frac{\text{Revenue} - \text{Cost of Goods Sold}}{\text{Revenue}}$$

KEY QUOTES

"If you understand gross margin, you are well on your way to understanding the heart of the business."

3. Return on Invested Capital (ROIC)

Every business uses money or capital. This may be its own money (profits accumulated from previous years) and/or someone else's money (e.g. money from banks and shareholders). The Return on Invested Capital (ROIC) shows how well you're using the money. The bigger the number, the better.

$$\text{Return on Invested Capital (ROIC)} = \frac{\text{Net Income}}{\text{Total Invested Capital}}$$

R = M x V. Simply put, ROIC depends on your *margin* (how much you earn for every product sold) and your *velocity* (how quickly you move products through your business).

$$\text{Return (R)} = \text{Margin (M)} \times \text{Velocity (V)}$$

- Velocity is also known as "*inventory turns*", or how many times your inventory turns over within a period of time. Walmart has 360 inventory turns in toilet tissue per year, which means it sells all of its toilet tissue almost daily.

- *The faster your velocity, the higher your returns*. Consider how long it takes your company to convert raw materials to a finished product that's sold, or how long it takes from the time you receive a customer order to the time you deliver the product. If you take 90 days to produce and sell a car, it means your cash and potential profits are tied up for 90 days. How can you help to improve ROIC through your work?

- ROIC is especially crucial for companies with a lot of *fixed assets* (e.g. machinery and factories). If you can grow your business using existing assets, you'll conserve cash and get higher returns on your assets. For example, AT&T can maximize the returns from its investments in cables, wires, satellites etc. by moving more services (mobile, internet, TV) through its network.

Your ROIC must be higher than the cost of capital. That's why companies sometimes sell or discontinue a product line to free up capital for more effective uses.

KEY QUOTES

"Return is nothing more than profit margin multiplied by velocity. This is a universal law of business."

"Things must move through a business to the customer, and the faster the better."

4. Growth

Growth is essential for any individual or organization to thrive and prosper. A company that doesn't grow cannot stay ahead of its competitors, meet evolving market needs, or retain great talents.

- However, don't grow for the sake of growing. *Bad growth* can actually hurt a company. This includes: cutting prices to gain market share, borrowing aggressively to invest in non-profitable products, or using mergers and acquisitions to boost financial figures without addressing the business basics. If your cash or profits are declining despite a growth in sales, stop to examine what's going on.

- The key is to focus on *good growth* that improves both your top line (revenue) and bottom line (profit), and meets 4 criteria:

  (i) It's *profitable* and capital-efficient, i.e. it brings higher returns than investing in a safe financial instrument (e.g. a Treasury bill).

  (ii) It's *organic* and builds on what the company is already doing.

  (iii) It's *differentiated* from competitors.

  (iv) It's *sustainable*, i.e. you can keep growing year after year.

Use the growth box to find good growth opportunities. Ask 4 sets of questions:

	EXISTING CUSTOMERS	NEW CUSTOMERS
EXISTING NEEDS	How to better serve our customers with current core competencies?	Can we sell what we have to new customers?
NEW NEEDS	What new needs can we satisfy for existing customers?	Should we pursue new customers with new needs?

- How can you better serve *existing needs of existing customers*? This is about leveraging your core competencies to expand the current pond you're fishing in. For example, home

KEY QUOTES

"Either you are growing or you are dying."

"Don't use size as a measure of success."

"Growth energizes a business. A company that is expanding attracts talented people with fresh ideas. It stretches them and creates new opportunities."

improvement chain Home Depot linked customers to contractors to install their purchases.

- How can you satisfy *new needs for existing customers*? These are problems that're not addressed by you or your rivals, e.g. Toyota created Lexus to cater to customers who wanted something in between a Cadillac and a Mercedes.

- Can you address *existing needs for new customers*? This is about selling what you have to new customer segments, like how Avon extended its ladies' beauty products to teenagers.

- Should you try to fulfill *new needs for new customers*? It may make sense to enter a new business if your existing business or strategy is becoming obsolete, e.g. Nokia shifted from cellphones to networking equipment and software.

Putting It Together: Understanding the Whole Business

Business acumen is about understanding all 4 building blocks and combining them to see the full picture of how an organization is doing.

Start by examining 6 areas: sales, gross margin, net profit margin, inventory velocity, ROIC, cash generation and market share.

- The information can be found in a company's *annual report*.

  (i) The *Profit-and-Loss (P&L)* statement summarizes the company's revenues (sales) and costs (expenses).

  (ii) The *Balance Sheet* summarizes the company's assets, liabilities, and shareholders' equity. Shareholder Equity = Assets – Liabilities.

  (iii) The *Cash Flow Statement* shows the cash flowing in and out of the company (cash generation).

- If you work for a *public company*, speak with the investor relations department for a copy of the annual report. If you work for a *private company*, speak with your management or finance department. For each of the 6 areas, try to *answer these questions*:

KEY QUOTES

"A true businessperson masters the relationships among customers, cash generation, return on invested capital, and growth to get an intuitive grasp of the total business."

"If you and your company are going to succeed, you need to truly understand the business."

(i) Are the numbers increasing, flat or decreasing? Why?

(ii) How is your company doing compared to its competitors?

(iii) What's likely to happen in the coming months or years?

- If you can answer these questions, then you're *speaking the universal language of business*, to identify (i) if a company is doing well and (ii) which areas may require attention.

Charan used Amazon's annual reports from 2013-2017 to explain how their financial numbers showed a healthy business focus.

- The P&L statement showed *revenue* growing from $74mil in 2013 to $166mil in 2017, and *gross margin* rising steadily from 27% to 39%. This is a positive sign of their effort to increase customer value and add higher-margin products (e.g. Amazon Prime).

- A good company invests in things that improve its competitiveness and increase value for the customers and organization, and Amazon was investing heavily in technology and marketing. Between 2013 and 2017, tech/content *expenses* increased from $7mil to $23mil, while marketing expenses grew from $3mil to $10mil. However, general and administrative expenses only grew from $1mil to $3mil, which meant that they were also carefully managing their corporate overheads.

- Amazon's *profits* were relatively low, but there was no cause for concern since (i) this was partially due to investment in top talents and technology, and (ii) its Balance Sheet showed a steady growth in *shareholders' equity* (i.e. assets > liabilities). The *accounts receivable* was also much lower than accounts payable, since they were being paid by customers immediately and negotiating good payment terms with suppliers.

KEY QUOTES

"Use the universal laws of business, as they set the path and select the right priorities, so the organization can grow profitably."

Applying Business Acumen in the Real World

Cutting Through Real-World Complexities

Every organization faces a range of issues from strategy to finance, human resource and operations. Global companies like General Motors or Proctor & Gamble have to grapple with even more complexities since they have multiple product lines and geographical markets.

The best CEOs cut through the clutter to focus on just 3-4 priorities that will bring the business where they want it to go. They devote their time, energy and organizational resources to these priorities instead of diluting them over too many things. They also consider how these priorities will affect the 4 moneymaking fundamentals.

Generating Wealth

All public and private companies are expected to create wealth for their shareholders (including employees who own company stocks). The price-earnings ratio ("P/E" for short) is one of the best indicators of wealth creation. A P/E of 10 means that for every dollar of earnings per share, the stock is worth 10x as much.

$$\text{Price-Earnings Ratio (P/E)} = \frac{\text{Price of 1 share (P)}}{\text{Earnings of 1 share (E)}}$$

- In public companies, P/E is determined by analysts and investors. It reflects *market expectations* of the company's ability to make money, based on its past performance compared to competitors (or benchmarked against the S&P 500 index).

- A company is rewarded with a higher P/E multiple when it *delivers expected results consistently*, i.e. it predictably increases its revenue and profits without reducing velocity. If it fails to meet expectations, the stock price and P/E start to drop. After a series of misses, the P/E and stock price can fall so much that it's subject to acquisition by other companies.

KEY QUOTES

"Keep business basics in mind to cut through complexity and set the right path and priorities."

"The world has complexity but leaders provide clarity."

"Your company's price/earnings ratio is the key for turning money into wealth."

- Companies with a *higher P/E multiple* generate wealth for their shareholders, attract top talent, create job security and opportunities for employees to learn, grow and earn more.

Know your company's P/E multiple and how it compares with competitors and the S&P 500. The company is doing well if it has consistent, predictable and profitable growth, sustainable ways to generate cash, good ROIC, and is performing better than competitors.

- In a digital era, there are countless opportunities for traditional businesses to move into new areas of growth. Benchmark against companies outside your industry to *challenge your assumptions* on the possible rates of growth and profitability.

Developing an Edge Through Superior Execution

Knowledge alone isn't enough; you must also execute better than others. In the book *Execution: The Discipline of Getting Things Done*, Charan explained these essentials for execution:

- Be *crystal clear* on what you want to achieve.
- Break down the goals into *specific steps* (e.g. "Complete A in 1 week and B in 1 month") and *milestones* (e.g. "We know we're at the halfway mark when we get to X"). Ask for help if necessary.
- Consistently monitor progress and *follow through*.

Flawless execution helps to expand your organization's capacity. This requires that you:

- *Put the right people in the right roles*. The right person is someone who can thrive in the role, make sound decisions, deliver great results, and keep increasing his/her capacity.
  - (i) Maximize individuals' impact by matching each person's *strengths* (attitudes, aptitudes and skills) with what the business needs.
  - (ii) Regularly review the *job-person fit* as the business evolves.
- *Coach people* to expand their capacity and leadership skills.

KEY QUOTES

"Every time we raise value for a shareholder, we raise value for our people."
—Howard Schultz, Former Starbucks CEO

"Stop looking in the rearview mirror and imagine what will happen in the future."

"Leaders have to deliver results day in, day out, relentlessly and consistently. Delivering results is what gives an organization energy, builds confidence, and generates resources to go forward."

"Every business needs the right people in the right jobs."

(i) Treat every incident as an opportunity for coaching, and give honest, direct and constructive *feedback*.

(ii) Coach for *behavior* (e.g. listening well or finishing work on time) as well as *business aspects* (e.g. setting the right priorities and executing well).

(iii) If your company doesn't have a mentoring/coaching program, request for one or proactively approach someone who can help you to grow.

- If someone is wrong for the job or becomes mismatched as circumstances change, take *corrective action* asap.

Synchronize people's efforts so they move in sync toward a common goal and with minimum friction. This expands the company's capacity.

- As an organization grows, people must be organized into departments and roles. The larger the company, the harder it is to *share information and agree on priorities*. People may also hide their concerns or disagreements, leading to "false decisions" where people seem to agree yet fail to follow through.

- Identify the areas where it's critical to have information-sharing or joint decision-making, then design the effective *social operating mechanisms* with 4 characteristics:

(i) *Openness*: Make it safe to challenge status quo and discuss new ideas.

(ii) *Candor*: Be willing to share opinions honestly, speak up against consensus or highlight broken promises.

(iii) *Informality*: Be spontaneous, not formal or rigid.

(iv) *Closure*: After each dialogue, clarify decisions and expectations (including accountabilities and deadlines).

Getting Started

Start shifting your perspectives to think like a businessperson. This means (i) having a big picture of your company and the 4 moneymaking fundamentals, and (ii) linking it to your own priorities.

KEY QUOTES

"Synchronization expands the organization's capacity."

"Today, you have to be not only a team player, in the truest sense of the word, but you have to be an integrator as well."

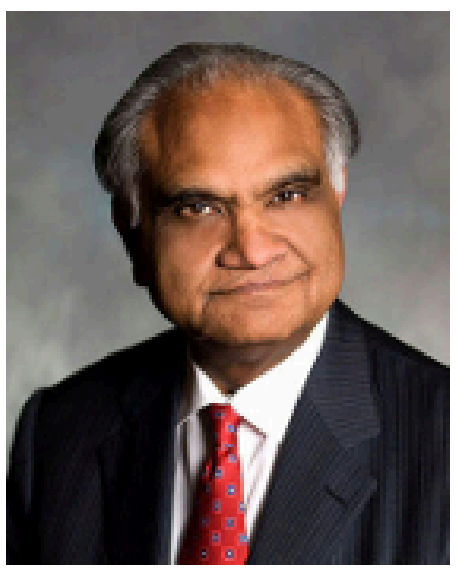
- *Know where your company stands* by looking into the 6 areas explained earlier: sales, gross margin, net profit margin, inventory velocity, ROIC, cash generation and market share.
- List down all the factors that affects your company's moneymaking ability (e.g. industry consolidation, innovation, currency fluctuations). Then, narrow down to *3-4 simple, actionable priorities* for your department or role. For example, if you're in HR, you can help to break silos, connect people or put the right people in the right roles. If you're in Finance, you can identify ways to add capacity, improve margins, or use cash more optimally.
- Help the people you work with to *expand their capacity and synchronization*.

Other Details in the Book to Look out For

This is a clear and easy-to-read book. Charan illustrated the key ideas in this summary using detailed examples and case studies of companies such as Netflix, Starbucks, Ford, Amazon, etc. For more details, please visit https://ram-charan.com/.

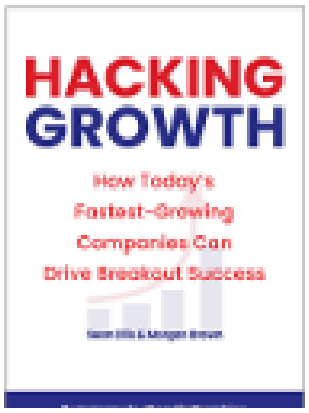
About the Author

Ram Charan (born 1939) is an Indian American business consultant, speaker, and author. He was formerly a Harvard Business School professor, and has consulted with leading companies like GE, Bank of America, Verizon, Coca-Cola, 3M, Merck, Aditya Birla Group and Tata Group. He has authored and co-authored several books on business strategy, execution, corporate boards and building a high performance organization.



KEY QUOTES

"If you can show your customers that your product will create more value for them, you will make more sales. And if you show your own company that you understand what will provide more value for it, you will be promoted."



HACKING GROWTH

How Today's Fasting Growing Companies Can Drive Breakout Success

SEAN ELLIS & MORGAN BROWN

The Big "So What"

How can you acquire new customers, keep them engaged, convert them to paying customers/ambassadors, and leverage technology to grow your revenue with a shoestring budget? This book presents the growth hacking method: using rigorous analyses and rapid tests to identify, test and implement high-impact growth opportunities. It can be used by any company (big or small) and for any function (e.g. marketing or engineering).

Introduction

In the 2000s, Sean Ellis started testing unconventional approaches to help various companies to grow rapidly given a limited budget and tough competition. These techniques and processes were gradually expanded and refined to become the growth hacking model presented in this book.

- For example, Dropbox grew from 100,000 to 4 million users in 14 months without any traditional marketing. Instead, it offered 250MB of free storage to each user who referred a friend to try Dropbox. Airbnb struggled until it cross-published with Craigslist to redirect searches for short-term vacation rentals to the Airbnb booking website.

- Growth hacking provides a rigorous method for rapid, cross-functional experimentation. Today, many leading firms—such as LinkedIn, Facebook, Quora, Tesla, Adobe and Airbnb—all use growth hacking as a key engine of growth instead of relying on costly advertising campaigns.

KEY QUOTES

"Growth hacking is so much more than a business strategy, or even an ongoing process. It's a philosophy, a way of thinking, and it's one that can be adopted in any team or company, big or small."

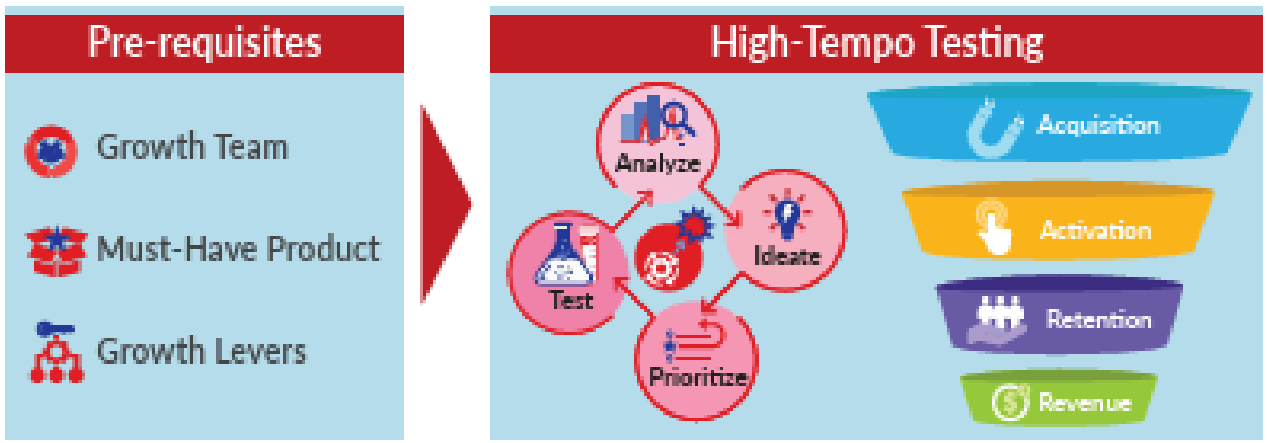
"Growth hacking isn't just about how to get new customers. It's about how to engage, activate, and win them over so they keep coming back for more."

"Growth hacking empowers companies to achieve breakout growth without pouring money into outdated and horribly expensive marketing campaigns of questionable business value."

In this summary, we'll explain growth hacking in 2 parts: an overview of growth hacking followed by a playbook for execution.

Part 1: An Overview of Growth Hacking

Here's an overview of the key components involved in growth hacking:



The Pre-Requisites

There're 3 pre-requisites that must be in place before you're ready to drive growth via high-tempo testing.

A growth team optimizes results by bridging the silos found in most organizations. Growth teams complement rather than replace traditional functions, and can range from 4-5 people to more than 100.

- The key is to have *cross-functional expertise* including business strategy/goals, marketing, data analysis and product development. Key roles include:

  (i) A *growth lead* who sets defines the experiments' goals, pace and metrics;

  (ii) A *product manager* who oversees the delivery of the desired product features;

  (iii) *Software engineers* who write the code for the required tests and product changes;

  (iv) *Marketing specialists* with the relevant expertise (e.g. social media, email marketing);

KEY QUOTES

"Start-ups and established companies alike...simply can't afford to be slowed down by organizational silos."

"Growth cannot be a side project."

(v) *Data analysts* who can collect, integrate and analyze data from multiple sources; and

(vi) *Product designers* who specialize in the relevant products.

- In startups and SMEs, team members often wear multiple hats. As the company grows, the growth team's size and composition will *evolve*. For example, LinkedIn's growth team grew from 15 people to more than 120 members spread over 5 units focusing on network growth, search engine optimization/marketing, onboarding, international growth, and user engagement.

- You can bring in external specialists to strengthen key capabilities, but the *responsibility for growth* must always rest with the top management, e.g. the founder/CEO or a senior executive. Typically, the reporting structure will follow (i) a *product-led model* where the team focuses on improving specific aspect(s) of a product's performance, or (ii) a *stand-alone* team reporting to a VP of Growth.

Don't start rapid growth experimentation until you have a must-have product, i.e. you know its *core value*, to *whom* it's a must-have, and *why*. Pushing for growth prematurely can be costly or even fatal since (i) you'll waste resources promoting something that no one wants and (ii) you'll end up generating critics instead of fans.

- Every wildly-successful product has an "*aha moment*": when a user experiences the core value or benefit of the product, finds it irresistible and becomes a fan. Yelp's aha moment is when users discover local restaurants or businesses via trusted community reviews. Facebook's moment is when users see instant updates and photos that show what their friends/family are doing.

- To assess if you have an aha experience, use these *2 tests*:

(i) The *must-have survey*. Ask users "How disappointed would you be if this product no longer existed tomorrow?", with responses on a 4-point scale (very disappointed, not disappointed, and N/A—I no longer user it). The goal is to have ≥40% users respond with "very disappointed".

KEY QUOTES

"It's vital not to outsource the core responsibility for growth…growth is too important to delegate."

"While creating a must-have product alone is not sufficient for breakout success, it is the baseline requirement for rapid and sustainable growth."

(ii) Whether your *retention rate* is higher than your competitors and stable over time.

- If your product passes both tests, it's ready for growth hacking. If not, you must first *address the gap(s)* using all 3 methods below:

  (i) Do additional customer *surveys/interviews* and/or observe how customers use your product.

  (ii) Run *efficient experiments* (minimum viable tests) for product/message changes across the entire funnel, such as A/B tests to compare 2 options or multivariate tests to compare all possible combinations of a component.

  (iii) Do a *deep analysis* of your user data. Consider creating a data warehouse to store all customer info, so you can identify the complete path for each group of users, exactly how an active user spends time on your website (compared with someone who doesn't), and when/why someone leaves the funnel.

- Be open to *unexpected discoveries* which may lead to a shift or pivot in your business focus. Instagram (originally called Burbn) dropped its confusing host of features after analyses showed that users only used 1 feature—photos. YouTube (originally a video dating site) made a pivot after analyses showed that users were uploading all types of videos, not just those for dating.

Once you know your aha moment, your goal is to get as many users to experience it as quickly as possible. However, you won't create a big-enough impact by testing lots of small changes (e.g. different button colors). You need to focus on high-impact, high-potential tests, i.e. you must identify the right growth levers and have a proper growth strategy.

- Start by figuring out your *growth equation*, which summarizes the key factors that drive your growth. Such equations will vary for different products/businesses, e.g. :

  (i) A news site with a subscription model: Subscriber revenue growth = Website traffic × Email conversion rate × Active user rate × Conversion to paid subscriber + Retained subscribers + Resurrected subscribers.

KEY QUOTES

"The key mission at this stage is to look for the behaviors that differentiate those customers who find your product must-have—that is, those who use or buy repeatedly—from those who don't."

"Growth hacking is not about throwing ideas against the wall as fast as you can to see what sticks, it's about applying rapid experimentation to find and then optimize the most promising areas of opportunity."

"Reducing the complexity of your business operations down to a basic formula is immensely helpful in allowing the growth team to focus on the right signals in this vast sea of data noise."

(ii) An ecommerce site: Gross merchandise volume growth = Number of sellers listing items × Number of listed items × Number of buyers × Number of successful transactions.

- Essential metrics are those that correlate most directly with your aha moment. Narrow down to 1 key metric that'll ultimately drive your growth—this is your "*North Star*" or the metric that best captures the core value for customers. eBay's North Star is the number of items listed for sale, while LinkedIn's is the number of people who have filled in their work profiles.

  (i) North Stars help to *direct your focus*. To improve the number of nights booked (Airbnb's North Star), the team zoomed in on New York City as an under performing market. They found that the quality of photos there were poorer than usual, and a test proved that postings with better photos got 2-3x more bookings. This led to initiatives to help hosts to improve their photo quality, improving global booking rates by 2.5x.

  (ii) North Stars may *evolve* as your company grows. A company can have 1 North Star yet have various growth teams focusing on different metrics, like how LinkedIn focuses on 5 areas of growth despite having 1 overarching North Star.

- *To make the most of your data and analysis*:

  (i) Use a mix of *quantitative analysis and qualitative probing* to figure out why certain trends or gaps exist.

  (ii) Make the North Star and key data/metrics *accessible* to the whole company. Use charts, visuals and ratios to present the key metrics at a glance, and show how you're performing relative to specific goals or benchmarks.

High Tempo Testing

Once the pre-requisites are in place, you're ready to start the growth hacking process. This comprises 4 key steps—analysis, ideation, prioritization and testing—that run in a continuous cycle.

KEY QUOTES

"You want to track, at a minimum, the metrics for each of the steps users must take to reach the aha moment and how often they are taking those steps."

"The companies that grow the fastest are the ones that learn the fastest."

You'll need to run lots of experiments because not all of them will yield significant or conclusive results.

- Small insights and successes add up. A 5% improvement in conversion rate each month will compound into an 80% improvement in a year. The faster you *test and learn*, the faster you'll grow.

- *Start slow and gradually ramp up*. Small teams can start with 1-2 tests per week, while larger teams can go up to 20-30 tests per week.

Kick off the process with a team meeting to define each person's role, and explain the growth hacking principles and processes. Then, adopt this 4-step process in a systematic and disciplined fashion:

- *Analyze: gather data and insights*. At this phase, the growth lead typically works with the data analysts to address questions such as: how do your best customers behave (e.g. shopping and usage patterns), what are their characteristics (e.g. source of acquisition and profile), and what causes users to drop off (e.g. pages with high exit-rates or bugs). The marketing specialists may concurrently conduct user surveys and interviews. The initial data and analyses are compiled and shared with the team in advance, to facilitate discussion at the next team meeting.

- *Ideate: generate ideas*. After the meeting, every member should take 4 days to submit as many ideas as possible in a templated format which includes:

  (i) The *idea name* (<50 characters) and *description* of the idea to be tested (including who, what, where, when, why and how).

  (ii) The *hypothesis* of the expected cause-and-effect, e.g. "By making it easy for shoppers to view and reorder previously purchased items, we can increase repeat purchase by 20%."

  (iii) The *metrics* to be tracked. Use multiple metrics since improvements in 1 area may come at the expense of others.

KEY QUOTES

"Generally, big successes in growth hacking come from a series of small wins, compounded over time."

"You cannot know ahead of time which experiments are going to be most effective. The best you can do is stay nimble and data-driven."

"Ideas are the rocket fuel of growth. And you need a pipeline of them delivering a steady flow."

"The more ideas that go into your pipeline the better your chances of finding winners that spur growth."

You can also get ideas from people outside the team (e.g. customers or suppliers) by sharing your growth levers and target metrics with them.

- *Prioritize what to experiment*. Each idea must come with a score to help the team prioritize what to do.

  (i) You can use the *ICE score* to rate 3 items: (a) *Impact* (how far the idea is expected to improve the key metric), (b) *Confidence* (how strongly the ideator believes the expected impact can be delivered), and (iii) *Ease* (the amount of time/resources needed to run the test). Use a 10-point scale for each component, then calculate the average score.

  (ii) The ratings needn't be perfect—they're just a tool to facilitate *debate and decisions*. The growth lead can review the ideas and suggest improvements prior to each meeting, or get the team to nominate the top ideas they wish to discuss so only the "finalists" are debated at the meetings.

  (iii) After you've shortlisted the experiments, focus on those that can be done in 1 week, and put the rest in the *experiment pipeline* (with an assigned timeline).

- *Test: run the experiments*. The selected tests for the week are moved up the work list, with 1 member in charge of each test.

  (i) Members must collaborate with other colleagues to implement the tests, while the growth lead helps to remove obstacles.

  (ii) Use these *2 rules of thumb* to ensure the results are statistically valid: (a) Use a 99% statistical confidence level so you only get 1 false-positive out of 100 samples, and (b) if there's a tie or inconclusive results, stick to the original/control version.

- *The cycle is repeated* when you review/analyze the results to decide on the next steps.

  (i) *Summarize the test results* including the name/ description, type of test, features impacted, key

KEY QUOTES

metrics, start/end date, hypothesis and results, other variables that may have affected the results, and your conclusions.

(ii) These should be shared and put into a knowledge database for future reference. *Communicate* the results (e.g. sending a "wins" email, creating a group chat or publishing test results on the company dashboards).

The authors recommend holding your growth meetings weekly (or bi-weekly). Any brainstorming and preparation should be done prior, so each meeting can focus on reviewing the previous weeks' results and setting priorities for the next week.

- Here are how GrowthHackers' own meetings are run:

(i) Growth meetings are held every Tuesday so people can finish their preparation on Monday.

(ii) The growth lead is responsible for sending the compiled data/updates and agenda in advance, and for running the meeting effectively within 1 hour.

SAMPLE MEETING AGENDA	
15 min	Review metrics, highlight key positives vs negatives, and update the focus area
10 min	Review last week's test activity (including tempo, # tests and reasons if any tests weren't done as planned)
15 min	Share key lessons learned (e.g. experiment outcomes, Q&A, team's conclusions on next steps)
15 min	Select the next set of growth tests (for the coming week)
5 min	Check the idea pipeline to ensure there's a healthy pool of fresh ideas being added

Part 2: The Growth Hacking Playbook

In this section, we'll break down how you can implement high-tempo testing across the entire sales and marketing funnel: acquisition, activation, retention and revenue.

KEY QUOTES

Hacks for Acquiring Users/Customers

A must-have product means you've already achieved Product-Market Fit, i.e. you have a compelling product for your target market. To start acquiring new customers rapidly, you must achieve 2 additional types of fit and create viral customer loops.

Language-Market Fit is about describing your product in a way that resonates with your target audience. People's online attention span is extremely short and you only have 8 seconds to convey how your product will improve their life.

- When iPod was launched in 2001, it succinctly conveyed its aha experience with 5 words: "1000 Songs in Your Pocket". To find good words/phrases, try *using your customers' language*: talk to your customers and examine the words they use to review, share or describe your product.

- Small word changes can have a huge impact, and can be tested with *A/B tests*. Tickle's growth skyrocketed after it changed just 1 word from "Store your photos online" to "Share your photos online". A dating app saw a jump in growth when they switched from "Find a Date" to "Help People Find a Date".

- Changes in wording can also affect your *brand and product focus*. For example, P&G launched Febreze with the words "cleans bad smells out of fabrics for good". After observing how avid buyers used Febreze, they added scent and changed the words to "for freshness that surrounds you like never before".

Channel-Product Fit is about selecting the most effective marketing channels for your target audience. It's better to optimize a few top channels than to spread your resources too thinly across many channels. This involves 2 parts:

- *Discovery*: Explore channels across *3 key categories*: viral/word-of-mouth (e.g. social media, games), organic (e.g. search engine optimization, email marketing), and paid (e.g. offline or online ads). Consider channels that're the *most appropriate* for your business model and your

KEY QUOTES

"As you plan your first hacks to test, start with language, and then go from there."

users' characteristics (e.g. the types of words they search for, where they shop, the social networks they use). Once you have specific ideas to improve acquisition, *score/prioritize* which ones to test first. You can score each idea against these 6 factors (on a scale of 1-10), then calculate the average score:

(i) Expected *cost* of running the experiment

(ii) Ease of *targeting* or reaching your intended audience

(iii) How much *control* you have over the experiment (e.g. if you can easily adjust or stop it halfway)

(iv) How much *input time* is needed to launch the experiment

(v) How much *output time* is needed to extract the results

(vi) What *scale* of audience can you reach with the experiment.

- *Optimization*: As the team starts to run the experiments, some options will stand out and new ideas will surface. Keep refining the channels that work and eliminating those that don't.

🔁 Design customer loops. Virality can come from word-of-mouth or be built into your product (instrumental virality).

- *Virality = Payload × Conversion Rate × Frequency*, where (i) payload is the number of people to whom a user will send an invite (e.g. a link/widget) each time, (ii) conversion rate reflects the response rate to the invite, and (iii) frequency is how often people are exposed to the invites.

- Here are some *useful tips* for creating successful viral loops:

  (i) Consider possible *network effects*, i.e. the users' product experience will improve if they bring in other users (e.g. social networks like Facebook or LinkedIn).

  (ii) Offer an *incentive* that's aligned with your product's core value, e.g. Airbnb giving $25 toward your next stay.

KEY QUOTES

"If they don't love it, they're not going to share it. Virality is a balance of how good the packaging is and how good the content is."
—Eli Pariser

"While finding the right words to appeal to people is vital, offering true value is a necessary ingredient for achieving viral growth."

(iii) *Integrate the invitation* into the user experience, e.g. once you join LinkedIn, you're instantly prompted to view your connections and import your contacts.

(iv) Ensure the invitees have a *good experience*, e.g. Airbnb includes the name and picture of the person who invited you, with a personal message and a call-to-action to claim your free credit.

(v) *Keep experimenting* to create a great referral program. After rounds of testing, LinkedIn discovered that the optimal number of invites for their service was 4 (2 invites were too few and 6 were too many).

Hacks for Activating Users/Customers

Having attracted your potential customers, you must now activate them, i.e. get them to use your product.

Use these 3 steps to activate customers effectively:

- *Step 1: Map out the steps* that users must take to get to the aha moment, then calculate the conversion rate for reach step. Consider the channels that brought the customers to you and their journey after they found you.

- *Step 2: Create a funnel report* to show the conversion rates for each step (and how they differ across user segments). Look for the areas with the highest drop-offs, and consider differences between active users, activated users who went cold, and those who were never activated. For example, HubSpot found that users who signed up with their work emails were more active for their new product (compared to those with a personal email), so they started asking for users' work email in the sign-up form.

- *Step 3: Conduct surveys/interviews* to understand why people are dropping off at certain points, then test high-impact ideas based on those insights. Never rely on your own assumptions.

  (i) To avoid irritating users, keep your surveys brief to ideally 1-2 questions. Focus on 2 situations: (a) when they seem confused (e.g. they stay too long on a page

KEY QUOTES

"Improving activation is at its core about increasing the rate at which you get new users to your aha moment. The more visitors who experience what makes your product a musthave, the more of them will stick with you."

"Always remember that there are no silver bullets in growth hacking, and that even what seem like slam-dunk ideas can fail."

or are about to leave the website), or (b) just after they've finished a step that others don't take (e.g. make a purchase). For instance, you can ask why someone didn't complete an order, or what convinced them to complete an order.

(ii) You should also test your mini questionnaires to improve engagement (e.g. the choice of words, images and visuals).

Removing common obstacles to activation. Make sure that the landing page for new users (i) conveys relevance, (ii) shows the value of the product, and (iii) has a clear call to action (CTA).

- Explore *hacks* like allowing users to register with a single click, or letting them enjoy your product before they sign up. You can also improve engagement via questionnaires or gamification.

- *Triggers* (e.g. website CTA buttons, emails or push notifications) are commonly used to improve activation. You can experiment with notification triggers for account creation, purchase, reactivation, new features launches, top user incentives, etc.

(i) As a *rule of thumb*, you should only get in touch with users when there's an opportunity of real value to them.

(ii) When crafting triggers, try to incorporate Robert Cialdini's *6 persuasion principles*: reciprocity (e.g. give a freebie for signup), authority (e.g. use endorsements from influential people/firms), social proof (e.g. show a large number of users), liking (e.g. use referrals from friends), scarcity (e.g. limit the number of freemiums), and commitment and consistency (e.g. break it down into a series of tiny steps).

Hacks for Retaining Users/Customers

When you retain customers, you can get more repeat purchases (without the corresponding acquisition costs), have more opportunities to understand them and improve your product,

KEY QUOTES

"While we certainly notice the friction in the products we use, we often don't recognize sources of friction in the ones we've been involved in creating or marketing."

"Creating positive friction is a delicate art of putting manageable, ideally engaging steps in the path of visitors that help them understand what the value is and get to the aha moment with greater predictability."

"The longer you retain customers, the more opportunity you have to earn more revenue from them."

and get additional word-of-mouth referrals. A study found that a 5% increase in customer retention rates can improve profits by 25-95%.

A healthy retention rate varies with each product/business, but you can study similar products/services to decide on your metrics. Ideally, you should see a *growing retention rate* over time, like how Instagram becomes more valuable with time as people post more photos and follow more people. You should also do *cohort analyses* to examine why some groups of users are staying longer than others.

Retention can be broken down into 3 phases:

- *Initial retention* is the period when a new user either decides to keep using the product/service or goes dormant. This window varies for different products. Your goal is to identify the minimum level of activity required (e.g. they must return ≥3x in 2 weeks to stay engaged) and focus on getting users to that tipping point. Retention hacks are similar to activation hacks, i.e. you want to get users to the aha moment asap.

- *Medium-term retention* kicks in when the initial novelty fades. Your goal is to help users to form habits so your product is incorporated into their daily routine. According to Nir Eyal, you can design a habit-forming loop in 4 parts: by using a *trigger* to lead to an *action*, which brings a *reward*, which leads to an even greater *investment* by the customer. Focus on testing different rewards to see what works best for different cohorts, e.g.

  (i) *Brand ambassador programs* with a blend of social rewards (e.g. social "likes" or elite status) and tangible ones (e.g. discount tiers or credits).

  (ii) *Recognizing achievements*, e.g. when a customer passes a certain milestone or takes certain actions.

  (iii) *Personalization*, e.g. customizing your email communications and product recommendations.

  (iv) More value "*coming soon*" (e.g. upcoming features or offerings).

KEY QUOTES

"One general rule that holds true across most product types is that improving the perceived value of the rewards leads to greater retention."

- *Long-term retention* requires product improvement—by enhancing existing features and adding new ones. Remember to continually educate your customers about the value they can get, to renew their perception of your product as a must-have.

Resurrection: To win back users who've abandoned your product, you must find out why they left in the first place. When a customer's purchases or activity drops to zero after a designated time period, the team should experiment with resurrection flows (e.g. sending emails or targeted ads) to win them back.

Hacks for Monetizing Users

Ultimately, your goal is to earn more revenue from each customer over time, i.e. to increase your customers lifetime value (LTV).

Refer to the customer journey map to identify *all* the opportunities for monetization from acquisition to retention.

Next, analyze (i) which parts of the customer journey generate the most money, and (ii) where are the pinch points where potential revenue is being lost.

- Once again, compare different *cohorts*, e.g. slice the data by location, gender, age, items purchased, features used, webpage engagement etc. For products sold internationally, you should also consider different payment norms or fees for each country.

- It's useful to develop customer *personas* for groups of customers with similar characteristics, needs and wants. You can run experiments for each persona, get targeted feedback via surveys, or send personalized product recommendations or offers.

- One of the hardest areas to optimize is your *pricing*, which is set based on certain value metrics. Consider if your value metric (i) is aligned with perceived customer value, (ii) scales with product usage and (iii) is easy to understand. Since pricing is closely related to perceived value, lower prices don't always increase sales volume

KEY QUOTES

"Lower prices do often lead to a higher volume of sales—but not necessarily. In some cases, lowering the price can actually hurt sales or at least fail to provide the boost in demand hoped for."

or revenue. The only way to optimize pricing is through continual and careful experimentation.

- You can also apply Cialdini's *6 persuasion principles* to optimize monetization. The key is to use data to measure what works, what customers will pay for, and experiment how best to meet those needs and maximize LTV.

Conclusion and Other Details in the Book

Ultimately, every product and business is different. The only way to uncover the best growth opportunities and hacks is to keep experimenting.

- When a growth team hits upon a *winning idea*, invest to get the most from it (including opportunities for cross-fertilization) instead of simply moving on to new areas.
- The job of growing a business is never finished. Prevent complacency by using growth teams to drive continual data-driven innovation and create a *virtuous cycle of growth*.

This is a detailed guidebook that takes you through the process of hacking growth step-by-step, including specific guidelines, case studies, sample questions and tips to help you grasp the concepts and tailor them to your specific product or business model. For more details and resources, please visit https://growthhackers.com.

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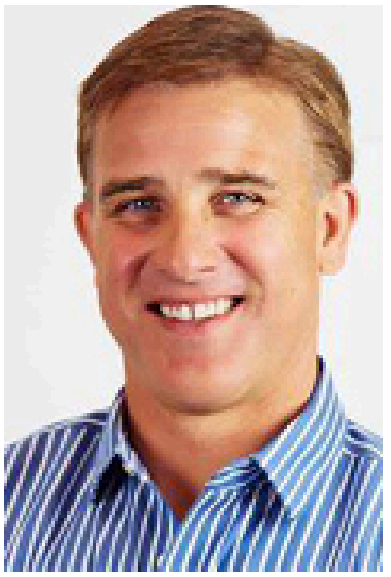
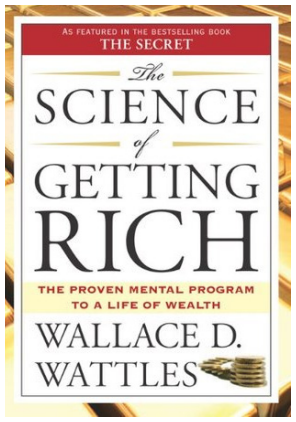
Sean Ellis is an entrepreneur, investor, and startup advisor. He is the CEO of Growth Hackers and was previously founder and CEO of Qualaroo. Ellis graduated from the University of California. He was the head of marketing at LogMeIn and Uproar, and was the first marketer at Dropbox, Lookout and Xobni. He is an advisor to KISSmetrics and Eventbrite, a mentor at 500 Startups, a Board Member for Mavenlink and SignNow, and an investor in Bitium. For more details, visit www.seanellis.me.



KEY QUOTES

"Doubling down is a powerful way to stack one growth win on top of another."

"Driving growth is a job that is never truly done. The breakout companies that sustain their success are those who constantly push for more, leveraging their success, capitalizing on new opportunities, and creating a virtuous cycle of growth."



THE SCIENCE OF GETTING RICH

The Proven Mental Program to a Life of Wealth

Wallace D. Wattles

The Big "So What"

First published in 1910, this was one of the earliest self-help books that explained how to acquire wealth in a scientific way based on metaphysical concepts. Wattles promises that if you truly grasp the ideas in this book and apply them like a scientific formula, it will be the only book on getting rich that you'll ever need to read.

Introduction

This book is based on Wattles' study of philosophers like Descartes, Spinoza, Leibniz, Schopenhauer, Hegel and Emerson. Wattles focuses only on the practical insights you'd need to get rich, without going into detail on how metaphysics works. He urges that you take the facts presented in the book as true. If you wish to do further research on your own, he recommends the works by Hegel and Emerson.

Defining wealth. Richness in this book refers to having *everything* you can possible want in life.

- *Being successful involves much more than money*. It's about being who you want to be and living to your full potential, which also includes contribution, fulfillment, appreciation of beauty etc.

- *However, it is important to have money*. Our society is structured such that we need money to buy, use and organize things. When you have lots of money and can put it to good use, you can multiply your growth and impact.

Getting rich is a science. According to Wattles, getting rich is an exact science. It works like a set of algorithms, much like

KEY QUOTES

"Getting rich is the result of doing things in a Certain Way...any man or woman who can do things in that way can become rich."

"The man who owns all he wants for the living of all the life he is capable of living is rich."

"In order to know more, do more, and be more we must have more."

"Wherever there is unexpressed possibility, or function not performed, there is unsatisfied desire."

the mathematical laws of addition and subtraction. *By applying the science in this book, anyone can get rich.*

- Your *ability to become rich* does not depend on your environment, talent, ability to save money, nor your choice of business or profession. Two people with similar circumstances or talent can end up with vastly different levels of wealth.

- Instead, it depends solely on whether you think and act in accordance with *the laws of getting rich*. To test if this law is real, you need to apply it yourself.

The book is presented in 17 short chapters. In this summary, we've organized the key ideas into 3 key parts: Establishing the Truths, Thinking in the Certain Way and Acting in the Certain Way.

Part 1: Embracing the Truths

The Science of Thinking Rich begins with you fully embracing several truths, so you can think and act in accordance with these truths to create massive wealth.

At the most fundamental level, **everything in this universe is made of the same "Original Substance".**

- It is *formless, supremely intelligent and permeates everything* around us—including organic and inorganic things and the spaces between them.

- It is behind the very creation of this universe; *it is everywhere, infused in and connected to everything*.

- Wattles uses many terms interchangeably to describe this substance, including "Formless Substance", "Thinking Substance" "Original Substance", "Supreme intelligence", "Living Presence" "God" and "Nature". For this summary, we'll refer to it mainly as *the Source*, and occasionally as Nature or God.

- The Source is *pro-life and pro-creation*. It flows naturally toward anything and anyone that supports life, creation and a fuller expression of life.

KEY QUOTES

"You can become what you want to be only by making use of things, and you can have the free use of things only as you become rich enough to buy them."

"The universe is a great Living Presence, always moving inherently toward more life and fuller functioning."

"It is the nature of intelligence to enlarge itself, and of consciousness to seek to extend its boundaries and find fuller expression."

Thoughts trigger the process of creation. Every thought leaves an impression in the Source, and triggers the process of giving form to that thought.

- If you think of a house, the form of the house is impressed upon the Source. It *automatically sets the wheels in motion* to create the house. This could be in the form of changes to the commerce or construction industries, or the formation of raw materials required to someday build that house.

- Such creation generally flows along *existing paths/lines of growth and action.*

- *The results are not instantaneous.* For example, the thought of an oak tree will immediately trigger the process of its creation, though it may take centuries for that tree to be fully formed.

Human beings are "thinking centers". Mankind can originate thought—when we imagine things, we form them in our minds and impress these thoughts on the Source. This triggers the process of creation.

- Every action you take, everything you create with your hands and every item that you see all originates from an *invisible thought.*

- The only way to create tangible wealth is to *begin with your thoughts.*

Part 2: Thinking in the Certain Way

We'll now take a closer look at how the Source works and how to think in the specific way that brings wealth to you.

Create, Don't Compete

Most people have the **wrong perspective about wealth.** They see it as a finite resource that's limited and/or controlled by certain people or institutions.

KEY QUOTES

"No thought of form can be impressed upon Original Substance without causing the creation of the form."

"Every form and process you see in nature is the visible expression of a thought in Original Substance."

"The Creative Power within us makes us into the image of that to which we give our attention."

"All the forms that man fashions with his hands must first exist in his thought; he cannot shape a thing until he has thought that thing."

"Nature is an inexhaustible storehouse of riches; the supply will never run short."

- Thus, they are *afraid to lose out* and fear that others will steal their riches or opportunities.

- They try to *get more at the expense of others*, competing or even taking advantage of others for their own gains.

In reality, **there is more than enough for everyone.**

- The Source is of *infinite supply* and can never be depleted. Thus, there is always more than enough riches for everyone.

- *No one can monopolize opportunity or wealth.* There are always opportunities around you, even though the *form* of such opportunities constantly evolves. If you follow the rules in this book, flow with the tide and capture available opportunities, no one can keep you down or withhold riches from you.

Abundance for all. Earlier, we explained that the Source is pro-life and pro-creation. It does *not* take something away from one party to give to another. Instead, it moves in a way that gives more life to *all*.

- *Do not* seek riches solely for *personal gratification* (i.e. for your own selfish enjoyment or interests), engage in *rivalry* (i.e. compete with others), nor *charity* (i.e. sacrifice yourself solely for the good of others).

- *Do* seek riches in a way that creates more for you *and* others. To do so, you must look beyond what's visible. Focus on creating with the Source, which will never run out and cannot be taken away from you.

You have the right to be rich. Remove all notions that money is bad or that God frowns upon.

- Paul said that "it is God that worketh in you to will and to do". The Source, God, Nature or the Universe (whichever term you relate to) wants you to be rich and have more. It wants you to *become the vessel* through which it channels creative energy.

- The key to creating wealth while *staying in harmony* with the Source is to benefit others as well as yourself.

KEY QUOTES

"There is abundance of opportunity for the man who will go with the tide, instead of trying to swim against it."

"No man is kept poor because opportunity has been taken away from him."

"Remember that extreme altruism is no better and no nobler than extreme selfishness; both are mistakes."

"You are to become a creator, not a competitor; you are going to get what you want, but in such a way that when you get it every other man will have more than he has now."

"Desire is possibility seeking expression, or function seeking performance."

The secret to creating value for all involved is to **give more to others in "use value" than what you take in "cash value".**

- For example, if you sell an Eskimo a famous piece of art (worth $2mil) for $200, you are not creating value, for he has no real use for it. However, if you sell him a gun or heater for the same amount, you are adding value. It's always possible to transact in a way that creates *more value for everyone involved.*

- The value of *knowledge* (like the ideas in this book) can be worth much more to the user than the cash value of the book. Likewise, you can set up your business to give your employees *opportunities* to grow and make much more money than just the cash salary you give them.

Faith and Gratitude

Once you've impressed your thought on the Source, have the faith that your request will definitely arrive. **Claim it as if it's already yours.**

There's no need to keep **worrying or talking** about your request or how it will be delivered. The Source is connected to all things, and knows the best way to make things happen in a way that benefits everyone involved. It may create certain events or bring certain people to you, all of which jointly deliver what you want.

What you must do is to think in harmony with the Source, have faith, and act in a Certain Way (which we'll cover in the next section). To **build your faith**, you can make progressively bigger requests, rebuilding your vision as you do so.

The **Law of Gratitude** says that action and reaction are always equal and move in opposite directions. When you offer gratitude in response to a gift, the forces of giving and receiving are in harmony.

- The *stronger your gratitude*, the stronger the reaction from the Source, and the faster good things come your way.

- It's common for people to cut off their connection with God or the Source once they get what they want. They fail to

KEY QUOTES

"Give every man more in use value than you take from him in cash value; then you are adding to the life of the world by every business transaction."

"You will not need to deal with (others) unfairly; you do not have to give something for nothing, but can give to every man more than you take from him."

"The answer to prayer is not according to your faith while you are talking, but according to your faith while you are working."

"To permit your mind to dwell upon the inferior is to become inferior and to surround yourself with inferior things."

acknowledge their gifts with gratitude, or even complain about what they've received. If you feel *discontented* or focus on your inadequacy, you impress these thoughts on the Source and bring them to you.

Gratitude and faith reinforce each other: when you are grateful, you expect more good things (faith), which brings them to you.

- *Develop the habit of being grateful* for every good thing (big or small) that comes to you.

- *Don't waste time and energy* feeling upset about what you lack, nor complain about others' inadequacies or mistakes.

Have a Clear, Consistent Mental Picture

In order for the Source to deliver what you want, you must first hold and transmit a **clear, precise mental picture** of it.

- It's not enough to have a *vague idea* that you want to "live better" or have "more money".

- Consider what exactly you want, and go over it in *great detail* to sharpen your mental picture. For example, crystallize every detail of your desired house, including its surrounding and furnishings.

Once you have a clear mental image of what you want, **hold it consistently in your mind.**

- Most people never get down to crystallizing what they want, or they get distracted easily by other things. To form and hold a clear, consistent image of something, you must have a *strong desire* for it.

- Formulate your vision in *vivid images*, not tons of words. Without clarity, no amount of contemplation, prayers, or affirmations will work.

- Create a *self-reinforcing cycle*: crystallize a definite mental picture of what you want, constantly replay the details and sensations so it strengthens your desire and makes it easier to hold the picture in your mind.

KEY QUOTES

"You can never get rich, or start the creative power into action, by sending out unformed longings and vague desires."

"Unless you really want to get rich, so that the desire is strong enough to hold your thoughts directed to the purpose as the magnetic pole holds the needle of the compass, it will hardly be worthwhile for you to try to carry out the instructions given in this book."

Apply Willpower to Yourself, not Others

Don't direct your energy and willpower toward **influencing or changing others.**

- *Do not impose your will on others*, e.g. take things from others, force them (mentally or physically) to do what you want them to do, or even insist they do something "for their own good".

- Likewise, *don't try to project your will out into space*, or insist the Source delivers something in a certain way. This will only create negative impressions that negate your positive requests.

Instead, **use your willpower on yourself.**

- Use the energy to *clarify your mental picture* and impress it on the Source. Then, let the Source chart the best path to attain those goals. Once you know what to think and do, use your willpower to force yourself to think and do those things.

- What you notice and think about will shape your beliefs. Use your willpower to *focus only on what you want*. If you want to get rich, do not think of your past financial struggles, complain to others about your problems, or envy others for their wealth and fame. Spend your time, energy and attention now on the things you want to create.

- The best way to *address poverty* is not to fight it or even sacrifice what you have for charity. It is to get rich yourself, inspire/educate others to become rich, and focus on new ways to create riches for yourself and the world. Treat poor people with joy and respect (not with pity), as if they're already becoming rich, and inspire them to find their own way to riches.

Part 3: Acting in the Certain Way

The Source sets things in motion by sending people, solutions and opportunities your way. You'll need to take personal action

KEY QUOTES

"You cannot retain a true and clear vision of your wealth if you are constantly turning your attention to opposing pictures."

"The poor do not need charity; they need inspiration.

"By thought, the thing you want is brought to you; by action you receive it."

to receive these gifts and convert them to money and riches. In so doing, remember not to take advantage of others or to give charity. Instead, give more use value than the cash value you receive.

Take Efficient Action

Taking efficient action means to **"fill your present place":**

- You can only *take action now, in the present*. If there's something you can do now to create success, do it. Don't fret over the past or wait for things to happen in the future. Do all that you can today, every day.

- However, *don't overwork* or rush into work meant for the future (out of worry that you won't have enough time or opportunity). It's not about how much you do, but how efficiently you do them.

- The key is to *ensure every small action you take is a success*—if you do so, these will accumulate to make your entire life a success.

Most people set their intentions fervently, then end up taking action in a half-hearted, distracted way. Put **100% of your focus** into whatever action you're currently taking, holding your vision as you perform your tasks.

- It won't work if you pray fervently once a week then forget about your vision. Everything you think, say, do must be aligned with your *definite purpose*.

- Have the *faith and gratitude* that what you're doing now is part of the process of delivering your vision.

- Use your leisure hours to *contemplate your vision* so it gets even clearer, more definite, and deeply lodged in your mind.

Getting into the Right Business

You can succeed in any area if you put your mind to it. However, it's generally easier to get rich and achieve success if you play to your strengths and focus on an area where you already have **well developed talent.**

KEY QUOTES

"Do, every day, all that can do that day, and do each act in an efficient manner."

"Do all that you can do in a perfect manner every day, but do it without haste, worry, or fear. Go as fast as you can, but never hurry."

"You can get rich in ANY business, for if you have not the right talent for you can develop that talent."

- Wattles recommends that you start with a business or vocation that fits your *inborn talents* or existing skills.

- If you feel a strong desire for another business or vocation (but have no existing talent or skill for it), set it as an *end-goal*, and gradually develop your abilities while growing your wealth. No matter what new business or career you wish to venture into, you must start with your current work.

It's common to start doing something, then realize that it's **not what you really want**, or it may even be something you hate to do.

- In such cases, *don't force yourself* to keep doing it, unless it's a means to get to an end.

- However, *don't rush into decisions* or quit immediately. Spend 1-2 days contemplating the vision of what you want—get connected with the Source, so you know the right action to take. You may very well find new ways to improve your current situation and grow yourself.

KEY QUOTES

"You will get rich most easily in point of effort, if you do that for which you are best fitted; but you will get rich most satisfactorily if you do that which you WANT to do."

Advancement

Every human being has an innate desire for advancement and to express himself/herself more fully. Thus, we seek greater wealth and and are attracted to those who can give us a more abundant life. You attract people when you **seek advancement** both for yourself and for others.

- Show that you're making progress in everything that you do, that you're *confident* of getting rich and can help others to get rich too. This will naturally draw customers and followers to you.

- Being confident is not the same as *boasting or bragging* about your success. As you gain influence and wealth, don't give in to the temptation to exert power over others, or compete with them to prove your worth/success.

"You are a creative center, from which increase is given off to all."

"Do everything that you do in the firm conviction that you are an advancing personality, and that you are giving advancement to everybody."

Regardless of whether you're running your own business or holding a job, embrace the concept of **continuous advancement.**

- Aim to *more-than-fill your current place*. When you become too big for your current role, you'll naturally progress to the next level.

- Take every opportunity to *be more than you are now*, and do it not to please others but to improve yourself.

Live and Spread the Truth

The Science of Getting Rich is essentially built on this simple truth—that you can generate any thought and impress it on the Source to cause it to take concrete form.

When you embrace this truth and know you can create whatever you want, you will **no longer fear scarcity and competition.**

Unfortunately, this truth contradicts most of what we see and hear around us. To think in a way that'll make you rich, you must **focus only on the truth**, regardless of how things appear to be.

- Put aside whatever you know or think you know about theuniverse, money, and wealth. Stop reading or watching any *material that contradicts the truths* in this book.

- Instead, keep reading and contemplating the statements below until you know them by heart and *believe 100%* that they are true.

"There is a thinking Stuff from which all things are made, and which, in its original state, permeates, penetrates, and fills the interspaces of the universe.

A thought, in this Substance, produces the thing that is imaged by the thought.

Man can form things in his thought, and, by impressing his thought upon formless substance, can cause the thing he thinks about to be created.

In order to do this, man must pass from the competitive to the creative mind; he must form a clear mental picture of the things he wants, and do, with faith and purpose, all that can be done each day, doing each separate thing in an efficient manner."

KEY QUOTES

"There is no such thing possible in this universe as a lack of opportunity for the man who is living the advancing life."

"The men and women who practice the foregoing instructions will certainly get rich; and the riches they receive will be in exact proportion to the definiteness of their vision, the fixity of their purpose, and steadiness of their faith, and the depth of their gratitude."

Live and spread the truth, so you become rich and also help others to get rich.

- *Existing governments and people in power* may try to keep the masses ignorant and in poverty. However, no institution or system can stop you from becoming rich if you follow the truths in this book.

- When there are enough people advancing and becoming rich, *entrenched systems* (that perpetuate scarcity and poverty) will naturally change.

Other Details in the Book to Look out For

This is a relatively thin book, presented in short chapters. Wattles reinforces the key ideas above in various ways to help us understand the abstract concepts and how to apply them in real-life. He promises that if you truly grasp the science in this book (like how you grasp the concept of addition or subtraction), then this will be the only book on getting rich that you will ever need.

KEY QUOTES

SO YOU WANT TO START A PODCAST

Finding Your Voice, Telling Your Story, and Building a Community That Will Listen

KRISTEN MEINZER

The Big "So What"

Podcasts are one of the fastest-growing media as people become busier and more mobile. This is a useful guidebook to help you start your own podcast, be it for personal interest or to market your business.

Introduction

Kristen Meinzer is a successful podcast host who has reached 10 million people over 10 years of her podcasting career. She has hosted numerous shows, produced podcasts for various brands, developed shows, taught classes on audio production, and spoken at various conferences.

This book provides the motivation for you to find your voice, with specific steps to help you develop the ideas, direction, and know-how to get started. To build a successful podcast, Meinzer recommends that you supplement this book with video tutorials on the more technical aspects of podcasting.

7 Steps to Build A Successful Podcast Channel

1) Dream it: Define your Whys and Whats

Start by defining your purpose or why you want to start a podcast.

- Don't start a podcast just because everyone is doing it. *Know your "why"*, e.g. to build a community around a specific cause, to teach a skill, or to grow the brand for your

KEY QUOTES

"I want this book to fill you with both information and affirmation. I want it to be a toolbox you can both rely on and stand on as you share what's in your heart."

business. For example, *By the Book* is a show co-hosted by Meinzer and Jolenta Greenberg. In each episode, they choose a different self-help book, follow it for 2 weeks, then assess if it made a difference. Through this self-help-cum-reality-show concept, they sought to push the boundaries of podcasting and spread empowering messages in an interesting way.

- Consider if a podcast is the best *method* to achieve your goals. Would your "why" be more effectively achieved through a book, blog, video or social media feed?

Define who your audience is, or who your podcast is for.

- Think of your *ideal listeners* in such detail that they're like real people you know and love to spend time with.

  (i) For example, Meinzer and Greenberg wanted *By the Book* to be for self-help lovers and haters, feminists and comedy fans. These may include single mums, women of color, men listening with their wives, or misfits who want to feel less alone or insecure.

  (ii) Meinzer and Greenberg each created 2 imaginary audience in their minds. Meinzer's fictional listeners are Louise and Anwar—one black and one white, one gay and one straight. She knows their personalities, interests, what they do in a typical day, how they were like in high school etc. Each time she has a question (e.g. whether a joke would work or whether it's ok to curse on the show), she'd imagine how specifically Louise and Anwar would react.

Decide on the subject/topic or what your show is about.

- *Don't settle for a 1-word answer*. For example, it's not enough to say that your show is about "movies". Elaborate on the idea, e.g. "Each week, a movie critic interviews 1 person who has had a similar experience as a movie character."

- Explore your concept, then distill it down to *1-3 sentences* that summarize your idea and why it's unique.

- Make it snappy and practice saying it out loud—you now have an *elevator pitch* to help you share your concept easily.

Creating and maintaining a podcast is hard work. So, be honest with yourself: do you really love or care about the topic or

KEY QUOTES

"Your show has to be something you can obsess over and that makes your heart sing."

outcome enough to want to keep working on it week after week? How will the podcast fit into your life?

2) Write it: Give it Structure and Substance

Choose your podcast format. You can choose any of the common formats below, combine/vary the formats or invent your own:

- *Interviews*: where the host speaks with different guests each episode;
- *Roundtable*: where a team of 3-4 opiniated hosts discuss and debate a topic;
- *Lists*: where the host goes through lists such as "the worst things to eat" or 10 things to do before you die;
- *Daily news*;
- *Advice*: where the host offers advice to people who write/ call in;
- *Documentaries*: where the host presents a different story each episode or 1 story over several episodes;
- *Investigations*: where the host unravels mysteries or cases;
- *Game shows*: where guests play games or solve puzzles; and
- *Stories*: where the host narrates a short story each episode, or a long story over several episodes.

Every great show—no matter how fun or spontaneous—needs a structure or blueprint. For example, *By the Book* follows a structure like this:

Intro	Hosts play the theme song, introduce themselves and the book of the week (including a summary, the author's bio and the steps/tips they'll be following), all within 6 min
Review of Week 1	Hosts share their 1st week of living by the book (6 min each). Followed by a music bump or ad break.
Review of Week 2	Hosts share their 2nd week of living by the book (6 min each). Followed by a music bump or ad break.

KEY QUOTES

"The one thing that's guaranteed to kill any podcast…is a lack of love."

"Structure is something to be grateful for, not to resent."

Verdict	Hosts share their verdict on the book (3 min each).
Closing credits and easter egg (a funny/surprising outtake).	

- Once you have a rough structure, *test it out* using practice/ pilot runs. Keep adjusting until it feels right.

- Remember: the *first 5 minutes* of the show is the most critical. Share just enough to acquaint new listeners to your show, then move straight into the action!

Before every show, you must prepare your script, including your research, supporting materials and notes.

- Here are some *quick tips*:

  (i) For *news shows*, start with a table of contents followed by the biggest story.

  (ii) If you're using *recorded tape or audio* collected outside the studio, let the recordings tell the story. Choose clips that best illustrate your story and work your narration around them.

  (iii) For *stories/reality shows*, get creative and take some risks!

  (iv) For *lessons and histories*, make sure you string the facts into engaging stories.

- *Read aloud* to test out the effect of the words. Inject your unique sense of humor, vocabulary, and personality.

- Ultimately, your podcast will only shine if you *become a superb storyteller*. Go for short, punchy sentences, and choose words that are visually-rich to bring facts to life. Fill the high points and low points of the story with visual details to touch your listeners' hearts and minds.

Once you're clear what your show is about, choose a strong title. Research what's out there and avoid a title that's already being used. Make sure the title reflects what your show is about. Keep it brief, easy to say and remember.

3) Host it: Select your Ideal Host(s)

Consider diversity when choosing your host(s) and team/ guests.

KEY QUOTES

"Find the arc in each story you're telling, or create it. Play up what's exciting, and give gravity to what's serious. Make things come alive."

"Talk in stories, not facts...As much as possible, show, don't tell."

- In the USA, where the majority of podcasts are hosted by white men, diversity can bring several *benefits*. It can help you to stand out, connect with more listeners, and expand your perspective.

- To *recruit a diverse team*, guests and experts, you can attend minority networking groups, place ads in minority newsletters or university job boards, reach out to social media communities or research experts in any domain.

Don't worry about your accent, voice or if you sound like a "professional" podcaster. Just sound like yourself—use your natural voice, laughter, figures of speech, and share your passions, opinions and sense of humor.

- *Being professional* isn't about imitating others. It's about being prepared for each show and producing a quality podcast.

  (i) Prepare your materials in advance, and warm up before each show (e.g. do a few jumping jacks or sing a song).

  (ii) Place the mic 1 fist away from your mouth (and slightly to the left/right), enunciate your words, and minimize fillers (e.g. "um", "uh" or "like"). Energize your voice by standing up, smiling and gesturing with your hands.

Consider having a co-host to add contrast, balance and diversity to the show, transform the dynamics and make it much more fun.

- Approach people whom (i) you enjoyed working with, (ii) admire, and/or (iii) have complementary skills or personality. You can do a few *pilot runs* with different people before making a decision.

- Your co-host is basically your *partner and co-pilot*.

  (i) Agree on your respective roles/persona *on the show* (e.g. skeptic vs believer, conformist vs revolutionary) as well as *off the show* (e.g. focusing on research vs production).

  (ii) Do your part, but learn to give and take if one person occasionally does more than the other.

- Make time to *address conflict* instead of avoiding it. You won't enjoy the show if you're fighting, and listeners can

KEY QUOTES

"A diverse team means you're part of the solution, not the problem."

"It's your show, my friends. Make it sound like you."

"Podcasts—even the most informative of them—are entertainment, conversation, and companionship."

"Be a 'yes, and' host, not a 'no, it's all about me' host."

sense the underlying tension even if you pretend everything's ok.

KEY QUOTES

4) Cast it: Get the Ideal Guests On Your Show

Identify who you want on your show in order to tell your story. There are 3 main types of guests:

- *Real people* help to bring specific ideas to life, e.g. individuals who're affected by a new policy or trend. You can reach out to your personal contacts, or search online for virtually *any* community (from activist groups to religious organizations and gay communities).

- *Experts*. If you know the experts' names and organizations, contact them through their website, social media accounts or their organizations' PR department. If you don't have a specific expert in mind, then start by researching professional clubs, associations or networking groups.

- *Celebrities* may be famous because they're movie-stars, award winners, or influencers on social media.

  (i) Identify the agencies that represent them, identify yourself as a journalist, and ask for the publicist's contact. Then, email the publicist to clearly and succinctly share how their client will benefit from being on your podcast.

  (ii) If the celebrity has recently released a book/album or appeared in a movie, ask to interview them about the project. If they're philanthropists, approach the charity's PR team and ask to discuss their latest work. You can always add other questions during the interview.

- The key is to *be persistent*—keep sending emails, messages, and making phone calls until you get a reply.

Once you get a positive response, start preparing your guests:

- If you definitely want the guest on your show, reply immediately to *confirm the deal* and give the details for the interview.

- If you need to assess the person further, set up a 10-min phone *pre-interview*.

  (i) Introduce your show (topic, tone and what to expect). Explain that this is a brief get-to-know-you session, not the actual interview.

  (ii) Ask questions to assess if their experience/story fits with your show, if they're willing to share openly, and if their energy level is high and positive. Take notes.

  (iii) If you decide to proceed, confirm the deal right away and send a follow-up email with the interview details. If not, thank them for their time and send a reply within 24 hours to say that you've decided to go with a different story angle.

To conduct a great interview:

- *Prepare in advance*. Learn what you can about your guest (e.g. background, achievements, aspirations, setbacks) and know why exactly they're on your show.
- Define the *5 most important points* you want to hit, and structure your questions/conversation around them.
- *Make your guest feel welcome*. Let them know what to expect (e.g. "This will be a casual 5-min chat about your adventure"). Since it's a recording, they can redo a section if there's a mistake.
- *Listen more, talk less*. If the guest says something interesting, ask follow-up questions to invite them to share more.
- Be human and *bring out their humanity*. Show that they have hopes, fears, passions and failures just like the listeners.
- *After the interview*, thank them and follow up with an email. When the episode is out, remember to send them the link.

Meinzer recommends that you learn the entire production process first, then consider hiring a producer if you can afford it. A producer can handle almost every aspect of the show, e.g. develop story ideas, create production schedules, book and manage guests, research and write scripts, edit/publish/promote episodes, etc.

Get objective feedback so you can improve:

KEY QUOTES

"Know not just about them, but know for certain why you want to talk with them."

"Be human. Let them be human...More than anything, be you."

"Knowing all parts of the machine means you can fix any part of the machine, and it also means you can prevent certain problems from happening in the first place."

- *Review your own podcast* closely. Look for points when the energy drops or it feels draggy. Consider which parts went well or badly, and why.

- Ask your *team members* for inputs, or ask the *listeners* what they want more or less of.

- Join a *podcast club* where you can connect with other aspiring podcasters, or attend a relevant *class or workshop*.

5) Make it: Create Your Podcast

To get started, you just need a few key pieces of equipment inaddition to your computer. These include:

- A good-enough *microphone* (or 2-3 mics if you have co-hosts). There's no need to spend a fortune on a top-grade microphone—you can start with just a USB mic (that can be directly plugged into your computer) and a pop shield (to reduce popping sounds).

- A set of *headphones* so you can listen to yourself while recording and editing.

- *Recording and editing software*. Beginners can start with simpler options such as Adobe Audition, Audacity or Garage-Band.

- *Optional: a portable audio XLR recorder* that allows you to plug in 2-3 mics to record multiple tracks in separate audio files. This requires XLR microphones (not USB ones) and a memory card.

- A *quiet room* to do your recording. You can even do it in your closet with your clothes serving as acoustic padding.

There are several options to record the podcasts with your guests.

- Invite the guest to your *home studio*.

- Rent a *recording studio* at a mutually-convenient location.

- Go to your *guest's location* with your equipment.

KEY QUOTES

- Do a *remote interview* or tape-sync, where each party records the conversation from their respective ends. You can:

  (i) Send the guest a USB mic, ask them to plug it into their computer, record the conversation, then send you the file; or

  (ii) Hire a local producer to go to their place (or a studio near them) with the equipment.

- Do a *conference call* (via Skype, Zoom etc) and record the call. Or, explore other options like Report-IT or ipDTL.

- Connect over the *phone* only as the last resort, since the sound quality is usually terrible.

Next, edit the audio files. The process and outcome will be better if you had recorded separate tracks for you and your guest.

- Get a *transcript* of the raw audio so it's easier to find the ideal moments and stitch them together.

- Focus on the *big picture* first. Based on what you've recorded, what story do you wish to tell? Find the sections that best tell your story, paying attention to the parts that tug at your heartstrings (vs those that put you to sleep).

- With the end in mind, start *cutting and editing* the tape.

  (i) Never present your guests' words out of context or edit them to mean a different thing.

  (ii) Remove the rambling, coughs/sneezes, or unexpected noises.

  (iii) Remove most of the fillers (e.g. "ums") but not to the point it sounds unnatural. Fillers can even be useful for connecting 2 disjointed parts.

  (iv) Avoid abrupt changes to tempo, tone, volume, or loud/long stretches of music. Keep any theme song to <30s.

- As you edit, identify *areas to improve* for future recordings, and have fun in the process!

Other important considerations include:

- *Intellectual property rights*. As a rule of thumb, go for *podsafe* (royalty-free) music/movie clips and written material. Official

KEY QUOTES

"Do what you can to make them sound like the truest version of themselves."

movie clips and trailers are safe for the purposes of movie reviews or discussions, though you can contact the TV or movie press-reps for *electronic press kits*. Always credit the creator/author and consult an attorney if in doubt.

- *Podcast length*. Ideally, keep your podcasts to 20-40 minutes. Meinzer recommends starting with a shorter show of ≈20min as it's easier to manage and you'll be forced to make every second count. You can always extend the duration in future.

- *Know what all listeners love or hate.*

  (i) Listeners love solid takeaways (e.g. clear insights and conclusions), hosts who're willing to reveal their personal and vulnerable side, and predictability with some surprises (e.g. a standard structure with occasional twists).

  (ii) Listeners hate poor sound quality (e.g. noisy background), overproduced audio (with too much special effects), inconsistency (in schedule, tone or structure) and a lack of empathy for listeners.

KEY QUOTES

"Make sure that every word must be."

"[Listeners] want their hosts to be human, not perfect."

6) Share it: Distribute your Podcast

Create your release schedule.

- *Be consistent* with your podcast releases so listeners know exactly which day/time to expect your show. Generally, it's fine to do a release *every 1-2 weeks*. Don't be too ambitious (e.g. daily releases) or too infrequent (e.g. monthly releases).

- *Communicate* your schedule clearly:

  (i) If it's an ongoing series, remind listeners that you'll be back at the same time/day next week.

  (ii) If it's a seasonal show (e.g. 1-2 seasons per year), indicate when the next season will start.

  (iii) If it's a short-run series (i.e. a limited number of episodes), thank listeners for joining you for that duration.

Make your podcast stand out.

- Create an attractive *show art*. This will be just a tiny square on a small screen. So, keep it simple and make sure the words are clear and legible. Decide on your color palette and image, then use the same style across all your marketing messages.

- Make sure your *episode titles and descriptions* are catchy.

  (i) Finalize the *episode title* only after you've edited the episode. Focus on what's interesting e.g. "Ariana Grande on her saddest childhood memory." Number your episodes if they run in sequence, e.g. "Ep. 1: ABC", "Ep. 2: XYZ".

  (ii) Keep the *episode descriptions* succinct. Include a hook that highlights the story you'll be telling, names of notable persons, events or places, contact information, links and advertiser acknowledgements.

Distribute your podcast in 4 steps:

- Save your episode in the *right format* (typically mp3);

- Choose your *hosting platform*. You can use a podcast-friendly hosting option (e.g. Libsyn, SoundCloud) or your own blog (e.g. Wordpress, Wix, Squarespace).

- Set up your feed. An *RSS feed* is basically a list of your episodes with key metadata (e.g. title, author, description, cover art, categories, and duration).

- Send your podcast/feed to as many places as possible (e.g. Google Podcasts, Apple Podcasts, Spotify)—a process called *syndication*. When you update your RSS feed in future, all the stores you're registered with will be automatically updated.

Sadly, most podcasts don't make money. To get listeners to pay, they must first feel engaged and invested in your show. To attract advertisers, you probably need ≥5000 listeners per episode. Here are some monetization options to explore:

- *Donations* from your listeners in return for gifts, shout-outs or other rewards;

- *Paid membership or subscriptions*, e.g. offering perks like ad-free listening or bonus content for a few extra dollars each month;

KEY QUOTES

- *Advertising*: Look for advertisers who're open to smaller shows and want to reach your specific audience. For example, a show about motherhood is ideal for companies selling baby food or diapers; and

- *Sponsored content*: This is where advertisers pay for their products to be a central part of your story. However, this could mean a longer production process and some loss of control over your storyline.

7) Grow it: Promote your Podcast

It's not enough to create a great podcast. You must promote your show if you want more people to discover and enjoy it. One of the best ways to spread the word is to build a community.

- In every episode, *create engagement within the show*:

  (i) Mention how people can reach you and why they should write/call. You can set the phone number to go to voicemail for people to leave a message.

  (ii) Invite listeners to share their experiences for a specific topic, let them contact you for advice or to offer advice.

  (iii) Add assignments, e.g. get listeners to answer questions or solve a puzzle, then selectively acknowledge the participants.

  (iv) Ask listeners questions that lead to new stories, e.g. their most embarrassing incident, their first love.

- You can also *build engagement outside the show*:

  (i) Create a space (e.g. a Facebook community) where listeners can interact with one another.

  (ii) Use social media or your website to share glimpses of your personal life, what you're reading or thinking about, etc.

  (iii) Create opportunities for people to meet you in person, e.g. via live shows and meetups.

- Encourage your community to *bring others onboard*:

KEY QUOTES

"The onus is on you to get the word out—every week, for several hours a week."

(i) In every episode, ask listeners to rate/review your podcast. Occasionally read out the reviews and thank your listeners.

(ii) End every interaction with a reminder to spread the word, e.g. "Thank you so much for following the show and for spreading the word to all your friends and family!"

Here are 7 additional ways to get the word out:

- *Tell everyone about your show*: share your elevator pitch with links to your show.
- *Create a web-page* so people can find you.
- Use *guerrilla marketing*, e.g. jump onto podcast discussions (on Reddit, Twitter etc.), and say something provocative so people will respond and learn about your podcast.
- Do *promo swaps* with other hosts with a similar audience size and profile. Or, *pitch yourself as a guest* for these shows. When you're being interviewed, don't just answer the questions directly. Steer the conversation to what you wish to say. Imagine that your show is about macho men with a sensitive side, and the other host is asking a question about rugby. You can pivot the discussion by saying, "Interestingly, rugby is seen as one of the most "macho" sports. The macho men on my show..."
- After each interview, send the guests a *thank you note* with a link to the episode and a request to share the link. Tag them in your social media posts (along with a great quote from the show) so they're more likely to share/retweet the post.

When you receive harsh criticisms or mean comments, don't take it personally. Try to sieve out the constructive feedback from the insults, and see it as an opportunity to create engagement and publicity. By acknowledging and addressing your shortfalls, you can win your listeners' loyalty.

Embrace your identity as a podcaster. Use the title in your name cards, say the title out loud and immerse yourself in the world of podcasting to build your knowledge and contacts. For example, you can (i) subscribe to podcasting newsletters and publications, (ii) join podcasting communities and weigh in on the discussions, (iii) attend conferences about podcasting,

KEY QUOTES

"Say what you want, not what you're asked."

"Turn all your thank-yous into self-promotions."

"Embrace your voice! Share it with the world!"

(iv) reach out to people you admire, and (v) take classes and courses.

Other Details in the Book to Look out For

This is a fun, lively book written in short and easy to read chapters. Besides the tips captured in this summary, the book also includes useful information such as podcast statistics, sample email pitches and confirmation emails for guests. For more information, please visit www.kristenmeinzer.com

About the Author

Kristen Meinzer is a podcast host, producer, and former director of nonfiction programming for Panoply. Her hosting credits include Stitcher/ Panoply's By the Book, CNN's Decades of Movies, and WNYC/PRI's Movie Date. Her producing credits include Happier with Gretchen Rubin, The Sporkful, Food 52's Burnt Toast, Girlboss Radio, and other award-winning shows. Kristen's work has been mentioned in numerous publications including Time, Washington Post, Buzzfeed, and Indiewire.

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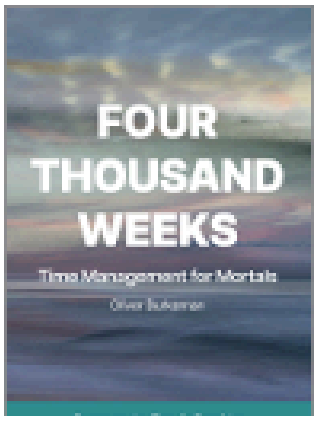
KEY QUOTES



FOUR THOUSAND WEEKS

Time Management for Mortals

Oliver Burkeman

The Big "So What"

If you live to 80 years old, you only have 4,000 weeks on Earth. Rather than cram more into your life, how can you live each day more meaningfully? This book helps you to answer this question, so you can make peace with your limitations, focus on what truly matters, and live a more purposeful and fulfilling life.

Introduction

Today, we're surrounded by strategies, tools, and resources to help boost our productivity. Yet, the more efficient we become, the more we cram into each day, only to end up feeling more rushed, more impatient, and unfulfilled.

- We often feel guilty for not accomplishing all that we expect of ourselves. We get frustrated by time-wasters, without pausing to consider what all the frantic rush is *for*.

- Burkeman, formerly a productivity geek, used to believe that he'd get a peace of mind when he finally got on top of his tasks. However, that day never arrived, and he only felt increasingly stressed and unhappy.

This book offers a new perspective on productivity and time management. Burkeman suggests that the solution is to stop trying to manage time as a resource. Instead, accept that you have a finite amount of time on Earth, and consciously choose what to do with it.

KEY QUOTES

"Time management, broadly defined, should be everyone's chief concern. Arguably, time management is all life is."

"The world is bursting with wonder, and yet it's the rare productivity guru who seems to have considered the possibility that the ultimate point of all our frenetic doing might be to experience more of that wonder."

Shifting from Productivity to Purposeful Living

Rethink Your Relationship With Time

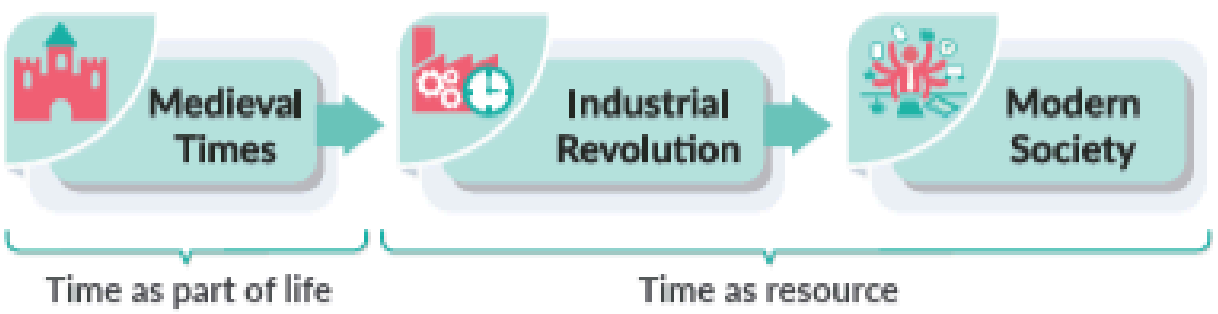
A lifespan of 80 years translates to merely 4,000 weeks, which means your time is limited. Yet, the problem isn't with our finite time, but how we think about it.

Historically, **people used to think of time differently**.

- Before mechanical clocks, people viewed time as the essence of life, or the river in which life flowed. They "measured" time using the day's natural rhythm (e.g. sunrise and sunset), and accepted that things took as long as they needed to take. A medieval farmer, for example, worked in tune with nature's schedule, not a clock. He wouldn't try to compress a year's harvest into 1 month, or get a month's worth of milk in 1 day.

- With the mechanical clock and Industrial Revolution, our relationship with time was fundamentally changed. Laborers were paid by the hour, factories operated during fixed hours, and a new demarcation appeared between work and leisure. We could literally see the minutes and hours slipping by, and started to treat *time as a resource* to be used and traded. We try to "save" time, feel guilty if we "waste" time, and seek to work ever harder, faster, and smarter.

- Our perspective on time is also shaped by *external forces*. For example, Capitalism views everything (including time and people) as tools for profit. If you're a lawyer who bills your clients by the hour, you may start to see each hour with family or friends as an opportunity cost, and thus an indulgence you can't afford.



KEY QUOTES

"Before, time was just the medium in which life unfolded... Afterwards...time became a thing that you used."

"[Time] stops being the merely the water in which you swim and turns into something you feel you need to dominate or control."

Beware the Efficiency Trap

Research shows that people are feeling busier than ever, and this sense of overwhelm occurs at every economic level. Those further down the economic ladder might feel overstretched as they work 2-3 jobs to pay the bills, while those further up the ladder might feel overloaded due to higher mortgages, job demands or social obligations.

Ironically, we try to solve our busyness by doing more. Instead of cutting back, we pack more into our days, believing efficiency can somehow help us to do it all. We use productivity hacks (e.g. "batch" our work or use prioritized to-do lists) to work faster.

- However, the more you fit into your life, the more you have to do. *The goal-post keeps shifting*. This is summed up by Parkinson's Law, which says that "Work expands so as to fill the time available for its completion."

- Burkeman calls this the "*efficiency trap*". For example, the sooner you reply to emails, the sooner others reply, which means more emails in your inbox. And, if people know you reply quickly to emails, they're more likely to write to you. As a result, the faster you respond, the more emails you get. The more you try to control time, the more you become controlled by it.

"Existential overwhelm" is the feeling that there's always more to do or explore than possible.

- In modern societies, secular changes have led to fewer people believing in an afterlife. As a result, people feel pressured to *make the most of this life*—the only life they have. We try to pack our lives with experiences, yet we feel dissatisfied because there's always *more* to be experienced.

KEY QUOTES

"You have too much to do, so you try to fit more in, but the ironic result is that you end up with more to do."

"The trouble with attempting to master your time, it turns out, is that time ends up mastering you."

"The problem with trying to make time for everything that feels important–or just for enough of what feels important–is that you definitely never will."

- There's an infinite number of *leisure activities* you can do, and it's impossible to experience all of them in your lifetime. The Internet further amplifies what you're missing out on.

As you cram more into your life, the quality of your activities also drops.

- If you think that you can somehow get everything done, you're more likely to *accept a task/request* without stopping to consider if it's worth doing, or what you must sacrifice to do it.

- When you're busy and overwhelmed, you're also more likely to opt for *convenient solutions* instead of valuable ones. You might message a friend instead of meeting up in person, or grab some fast-food instead of cooking a meal.

To overcome anxiety and overwhelm, the best solution is to accept reality. There are infinite things you could do, but you're limited by finite time, energy, attention, and resources. Rather than try to tick off every item on an endless to-do list, consciously choose how to spend your finite time meaningfully.

KEY QUOTES

"Convenience...makes things easy, but without regard to whether easiness is truly what's most valuable in any given context."

"I'm aware of no other time management technique that's half as effective as just facing the way things truly are."

Live in the Present, Not in the Future

Viewing time as an instrument makes us treat each moment as a means to an end.

- We often *put our lives on hold*, thinking "After this, I can relax" or "Once I get that promotion, I'll find love." We treat every task and event as a stepping stone to something else.

- Burkeman's perspective shifted with fatherhood. He wanted to savor his son's early years, yet found most parenting advice focused on preparing children for the future. When we treat childhood as a training ground for adulthood, we rob it childhood of its *intrinsic value*.

When we live mentally in the future, we miss out on the present.

- Burkeman observes how tourists at a museum often take photos and videos of the art pieces instead of enjoying them there and then. We use mindfulness practices to try and be present, missing the fact that we are *already* present in the

"Stop postponing the 'real meaning' of your existence into the future, and throw yourself into life now."

"[To live] more fully in the moment starts from noticing that you are, in fact, always already living in the moment anyway, whether you like it or not."

moment. Many rich people are unhappy despite their wealth, because they see the current moment as a *stepping stone to a happier future*.

- You don't necessarily need more money and status to feel happier, and you don't need to keep doing more to prove your inherent worth. Learn to *appreciate the present while keeping an eye on the future*. Find contentment in the simple pleasures already available to you.

Embrace Your Finitude

Philosopher Martin Heidegger argued that humans don't have a finite amount of time; we *are* a finite amount of time. He used the term "finitude" to describe how our limited time fundamentally defines us.

- Here's an uncomfortable truth: our time on Earth is not an entitlement. *We are all living on borrowed time*. If you died tomorrow, there's nothing you can do about the time you "lost", because you never owned it in the first place. You don't actually *have* time; you merely expect it, and there's no guarantee you'll have more time beyond the present moment.

- People who've had a close brush with death often start to see time differently. You don't need a tragedy to *shift your perspective on time and mortality*. The next time you feel annoyed at waiting in queue, or feel frustrated that someone is late, pause to appreciate the fact that you're alive right now. Instead of feeling cheated of time, cherish the present moment as it might be all you have.

Every decision you make closes off other alternatives, and propels you down a certain path. This is happening whether you're aware of it or not. If you're not choosing your paths intentionally, then you're just stumbling through life blindly.

- *Accept the trade-offs* in every choice. When you choose 1 important thing, it means giving up lesser priorities and saying "no" to other opportunities. Make peace with that.

KEY QUOTES

"Usually there'll be no way to know, in the moment itself, that you're doing it for the last time."

"We cannot get anything out of life. There is no outside where we could take this thing to... The life of this moment has no outside."
—Jay Jennifer Matthews

"Once you stop believing that it might somehow be possible to avoid hard choices about time, it gets easier to make better ones."

Dispel the Illusion of Control

We want to see time as a separate tool or resource, because it gives us the illusion of control.

- In reality, *you cannot control time*. The Hofstadter's Law says that tasks always take longer than planned. You might think you have 5 hours to complete a project, but issues crop up. You expect to meet with a friend next year, but she passes away before then.

- *You also cannot predict the future*. If you look back at the events that led to where you are today, you'll find that many were beyond your control. For example, your parents might have migrated to a new country while you were young, or you might have met your spouse at a random party. You survived those chance encounters in the past, and will probably survive whatever life throws at you in the future.

While planning is useful, remember that plans don't give you the power to control the future. You can't prevent bad things from happening, nor force things to go according to your expectations. Instead of resisting your circumstances, allow things to happen at their own time and just do the best with what life offers.

Reclaim Your Focus

Your attention is limited, just like your time. What you focus on defines your reality, e.g. if you constantly follow news about crimes and disasters, you'll see the world as a dangerous place. In the end, your life will be the sum of what you pay attention to.

- Social media isn't really "free" because the tech companies are selling your attention to advertisers, and using data tracking and psychological tactics to keep you hooked. Our *digital devices* often distract us from other important matters—we spend hours on our devices daily, and our minds tend to linger on trivial online interactions even when we're offline.

KEY QUOTES

"You can never be truly certain about the future. And so your reach will always exceed your grasp."

"All a plan is–all it could ever possibly be–is a present-moment statement of intent... The future, of course, is under no obligation to comply."

"What you pay attention to will define, for you, what reality is."

"The distracted person isn't really choosing at all. Their attention has been commandeered by forces that don't have their highest interests at heart."

Burkeman argues that we choose to get distracted to avoid painful issues or decisions.

- For example, when it's time for an important task, you might suddenly feel the urge to check your emails or surf the internet. That's because taking action means *facing up to your realities* and limitations, instead of just dreaming about ideal outcomes.

- Fixes like digital detoxes typically won't work in the long-term, as they don't address the root causes of the discomfort, and you'll just turn to other distractions. The best way to overcome a distraction is to accept and *pay attention to the underlying discomfort*. When Steve Young trained as a Buddhist monk, he had to pour freezing water over himself daily. In the process, he learned that trying to distract himself from the cold only worsened the agony. The best way to ease his discomfort was actually to focus on it. This training helping him to drastically improve his concentration.

Cultivate Patience

Burkeman suggests that we're getting more impatient as a society. In a traffic jam, people start honking even though it doesn't change anything. We stop the microwave oven before the time is up, just to save a few seconds.

- Our *addiction to speed*, much like an addiction to alcohol, is often a form of emotional avoidance. We feel as if we must move faster to be happy, when it only leaves us feeling more anxious and restless.

To break this cycle, stop trying to move faster and allow things to take their time. Cultivate patience to enjoy better results and satisfaction.

- In face of a problem, *don't rush to adopt the first solution* that comes to mind. If you can sit with the unease of not having an immediate answer, a better solution will often emerge.

- Adopt *3 principles of patience*:

  (i) *Embrace challenges* as a part of human existence. Recognize that a problem-free existence would be meaningless.

KEY QUOTES

"The paradoxical reward for accepting reality's constraints is that they no longer feel so constraining."

"As the world gets faster and faster, we come to believe that our happiness, or our financial survival, depends on our being able to work and move and make things happen at superhuman speed."

"If you're willing to endure the discomfort of not knowing, a solution will often present itself."

(ii) *Choose incremental progress* over immediate completion. Stop work each day when the time is up, even if you still have excess energy. This builds patience for long-term success.

(iii) Give yourself *time to develop mastery and originality*. When you first learn something new, it's normal to imitate others. Your unique style tends to emerge as you grow over time.

Enjoy Rest and Leisure For Their Own Sakes

In the past, ancient philosophers like Aristotle viewed leisure as the goal in life. Work was just the means to enable more leisure time. Religious traditions like the Sabbath (a day for rest and observance) are also built on the belief that whatever work done by week's end is sufficient.

By contrast, modern societies now treat leisure as the means to an end.

- We feel compelled to justify leisure as a way to boost productivity, improve ourselves, create memories, or to build the foundation for some *future payoff*.

- We feel guilty for being idle or lazy, a concept that sociologists call "*idleness aversion*." We try to pack every day of the week, with shops staying open daily and digital devices keeping us connected all the time.

- In "Midlife", Kieran Setiya highlights the difference between *atelic and telic activities*.

  (i) Atelic activities are valuable in themselves and there's no need to "complete" them. For example, you can enjoy walking or listening to music for their own sakes. Telic activities are done to achieve a specific outcome.

  (ii) Midlife crisis often kicks in when we start to realize our mortality, the futility of chasing future goals, and start to focus more on present experiences.

KEY QUOTES

"The presence of problems in your life...isn't an impediment to a meaningful existence but the very substance of one."

"Enjoying leisure for its own sake–which you might have assumed was the whole point of leisure–comes to feel as though it's somehow not quite enough."

"Results aren't everything. Indeed, they'd better not be, because results always come later–and later is always too late."

Burkeman urges us to enjoy rest and leisure for their own sakes, without guilt. Pursue hobbies that bring you joy and satisfaction, even if you're mediocre at them and there's no financial or social benefits to be gained.

Adopt Intentional Neglect

Everyone procrastinates. "Bad" procrastination stems from being paralyzed by your limitations. This could come from:

- *Perfectionist expectations*: You hold back because you think you lack what it takes to achieve your dream outcome; and/or

- *Indecision*: You're stuck between choices, e.g. you can't decide between various career options, or you want to leave an abusive relationship yet secretly hope for things to change. You fail to commit—until the ship has sailed and you no longer have to decide.

"Good" procrastination comes from accepting that you can't do and have everything you want. You make sound decisions to (i) do what matters most, and (ii) procrastinate on lesser priorities.

- Burkeman shares *3 principles for intentional neglect*:

  (i) *Pay yourself first*. In personal finance, this means saving before paying your bills. Similarly, prioritize important goals (e.g. developing a relationship or learning a new skill) before other tasks. Don't wait.

  (ii) It can feel overwhelming to have too many tasks or projects running concurrently, and you can't get anything meaningful done if you abandon a project once it gets hard or boring. The solution is to *limit your work-in-progress*: (a) finish an old project before starting a new one, and (b) break big projects down to bite-sized chunks that you can finish.

  (iii) *Avoid the lure of secondary priorities*, as they're the most likely to distract you from your core priorities. List down your top 25 priorities, then focus only on the top 5 and deliberately avoid the rest.

KEY QUOTES

"In order to most fully inhabit the only life you ever get, you have to refrain from using every spare hour for personal growth. From this perspective, idleness isn't merely forgivable; it's practically an obligation."

"The real measure of any time management technique is whether or not it helps you neglect the right things."

Commitment gives you freedom. Research shows that when people commit to something, they appreciate it more than those who can still change their minds.

- Political theorist Robert Goodin argues that you must commit to something to attain *excellence or fulfillment*. For example, you can't be the best musician in the world if you don't devote your time and focus to music.

- Commitment is also essential for *relationships*. A romantic relationship can't be fulfilling if you break things off every few years in hope of finding a better partner. Ultimately, there's no perfect person who can meet all your conflicting needs. Someone who's stable and predictable is also unlikely to be a regular source of adventure and excitement.

- *Making a commitment* frees you from the need to keep choosing, so you can direct your focus in more meaningful ways.

Choose Shared Experiences Over Full Control

Many people love the idea of having full control over their lives—to have the freedom to do whatever they want, whenever they want, and without answering to anyone.

Burkeman argues that time should be shared, not hoarded.

- Sacrificing some personal freedom can lead to *greater fulfillment* if you get to spend the time with loved ones. For example, digital nomads have the freedom to travel, yet many feel lonely because their lifestyle makes it hard to form deep relationships.

- Time is a network good. Similar to mobile phones and social media accounts, *time is more valuable when it's shared with others*. Many activities, such as socializing or going on dates, require others' participation. In 2013, Terry Hartig found that Swedes were happier when they took time off work, and happiness levels were even higher when they had shared time off. He suggested that what people needed wasn't more control over their personal schedules, but better "social regulation of time".

KEY QUOTES

"We'll do almost anything to avoid burning our bridges, to keep alive the fantasy of a future unconstrained by limitation, yet having burned them, we're generally pleased that we did so."

"When you can no longer turn back, anxiety falls away, because now there's only one direction to travel: forward into the consequences of your choice."

"Freedom, sometimes, is to be found not in achieving greater sovereignty over your own schedule but in allowing yourself to be constrained by the rhythms of community."

"The value of time comes not from the sheer quantity you have, but from whether you're in sync with the people you care about most something intangible."

- Human beings are naturally inclined toward *synchronicity*: we tend to sync our steps when walking with someone, and Roman soldiers could march longer when they moved in unison. When you feel like a part of something bigger than yourself, it can be more fulfilling than having complete control over your personal time or schedule.

Find Freedom in Your Cosmic Insignificance

All of us want to believe that our lives mean something, and we feel a sense of grandiosity when we talk about "what matters most" in life. Yet, in the grand scheme of things, what you do doesn't matter at all.

- Human civilization (about 6,000 years old) is a blip in the universe's timeline, and each of us a miniscule part of history. At a cosmic level, no individual can make a dent in the Universe—even famous names like Mozart, Einstein, or Marie Curie.

Realizing our cosmic insignificance can be liberating, because (i) it puts our problems and daily struggles into perspective, and (ii) frees us from illusions of grandeur.

- Instead of holding yourself to unattainable standards, focus on *meaningful activities within your reach*. Ask yourself: How can I make the most of my time now, assuming this moment is all I have? This may include the things you're already doing but didn't seem grand enough. For instance, the Covid pandemic brought pain and disruption, but also reminded us of simple pleasures like gardening, cooking, and family time. It forced us to reevaluate our daily lives and routines, such as long commutes to work or under-appreciation of essential workers.

Let Go Of The Illusion of Time Mastery

We want to master time, stay in control and feel like our lives matter. Yet, time mastery is an illusion: No matter how good you get at time management or your specialization, you can't

KEY QUOTES

"Time just feels realer – more intense, more vivid, more filled with meaning – when you're synchronized well with others."

"Because now is all you ever get."

handle everything thrown at you. And none of our lives can truly matter in the cosmic timeline. Embrace life's finitude, free yourself to live fully in the moment, and focus on what truly matters to you and those around you.

Use these 5 questions to guide yourself:

- *What necessary discomforts are you avoiding*? Embrace risks and challenges that help you to grow, rather than hide behind the illusion of safety or control.
- *Are you holding yourself to unattainable standards?* Consider what you'd do differently if you stopped chasing after an impossible to-do/bucket list.
- *Have you accepted yourself as you are?* Or are you striving to be someone else (and living by others' standards)?
- *In which areas of life are you still holding back* because you don't feel prepared? Free yourself by taking action regardless.
- Most meaningful activities like care-giving or community-building cannot be measured by concrete outcomes. *How would you spend your time differently* if you didn't care about end-results?

Ultimately, we must each find our own path without knowing what the "right" course of action is. As Carl Jung advised, just do what feels necessary and trust that life will unfold as it should.

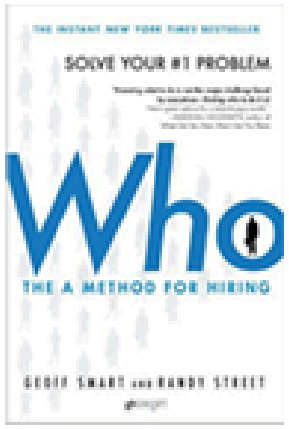
Other Details in the Book to Look out For

This book is written in a conversational style, packed with personal anecdotes, examples, and research references to help us reflect on finitude and rethink our relationship with time. For more details, please visit www.oliverburkeman.com.

KEY QUOTES

"Let your impossible standards crash to the ground. Then pick a few meaningful tasks from the rubble and get started on them today."

"The undodgeable reality of a finite human life is that you are going to have to choose."



WHO

The A Method for Hiring

GEOFF SMART & RANDY STREET

The Big "So What"

Almost every company finds it challenging to find and hire the right talents. The #1 problem isn't about the right strategy, products or processes; it's about finding and putting the right people in the right roles so they can make the right decisions and deliver outcomes that matter. The A Method for Hiring is a proven 4-step approach that you can use to hire A Players in any level of your organization.

Understanding the #1 Problem

Focus on Who, not What

Who vs What. Many leaders focus on the "*Whats*" in their organizations, e.g. the strategies, products and services, systems and processes. However, without the right people in the right place, whatever problems you fix will only resurface again. It's much more critical to focus on the "*Whos*", i.e. having the right people to make the "What" decisions. Once you address the "Who", the "What" will naturally fall in place.

After interviewing many CEOs, leaders and management experts, and then analysing the data in detail, ghSMART found 4 key mistakes that lead to hiring failures at all levels (from a front-line worker to a CEO):

- Lack of clarity on what the job requires;
- Lack of good candidates;
- Inability to choose the right candidate; and
- Losing the selected candidates.

KEY QUOTES

"The most important decisions that businesspeople make are not what decisions, but who decisions."
- Jim Collins

"In business, you are who you hire."

Such hiring mistakes are costly—besides wasting valuable recruitment time and resources, the wrong people can make bad decisions that hurt the company and team morale.

Hiring the Right People with the Right Approach

Most traditional recruitment and interview techniques are ineffective because they don't test if someone can really do a job well. Specifically, there are 10 common approaches that lead to poor hiring decisions—ghSMART calls them "voodoo hiring methods".

- The *art critic* uses gut instincts to make quick (and often inaccurate) decisions.
- The *sponge* allows everyone to interview every candidate, resulting in wasteful duplication.
- The *prosecutor* tests candidates' knowledge with quizzes and questions (which don't really correlate with performance).
- The *suitor* is obsessed with selling the job rather than evaluating the candidates.
- The *trickster* uses tricks to test the candidate (e.g. leaving things on the floor to see if the candidate would pick it up).
- The *animal lover* asks questions like "if you were an animal, what animal would you be?"
- The *chatterbox* wastes time on small talk.
- The *personality tester* makes decisions based on psychological/personality tests, which may not predict job success.
- The *aptitude tester* tests for aptitudes (e.g. persistence) which may be relevant but are inadequate for decision-making.
- The *fortune teller* asks hypothetical questions which won't tell you what the candidates would *actually* do.

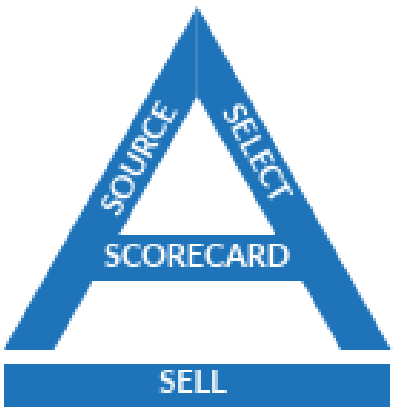
KEY QUOTES

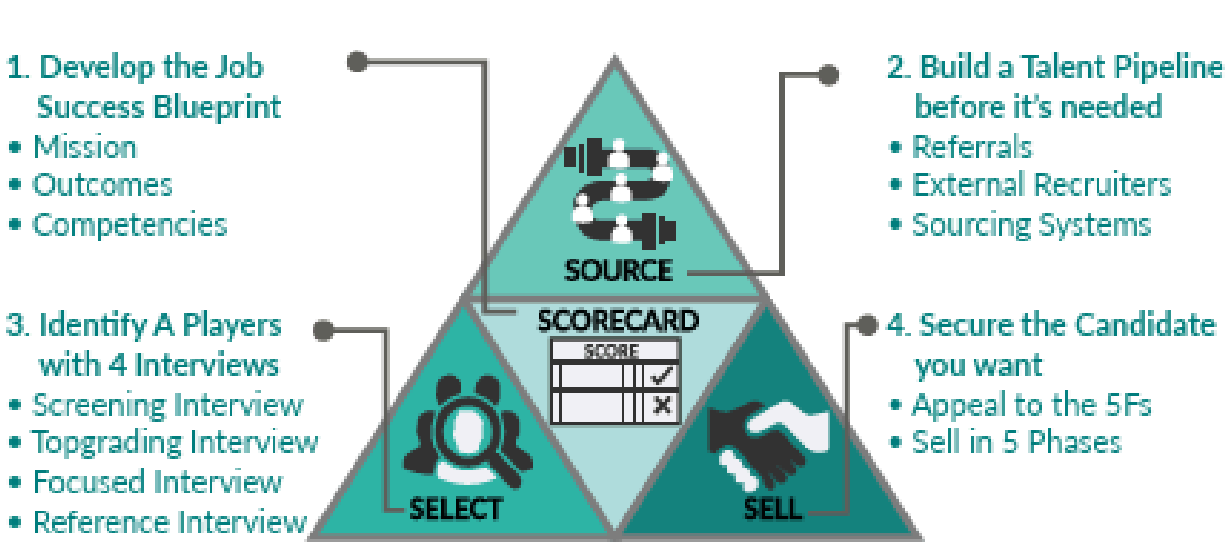
"One of the painful truths of hiring is this: it is hard to see people for who they really are."

Ultimately, you want to hire A Players who fit with your company culture and can accomplish a specific job with high standards. ghSMART defines an A Player as "a candidate who has at least a 90 percent chance of achieving a set of outcomes that only the top 10 percent of possible candidates could achieve". The question is: how can you find, identify and successfully hire these A Players?

The 4-Part Approach for Hiring A Players

The ghSMART A Method for Hiring is a simple, proven 4-step process to identify and hire A players at all levels of the organization. In the book, the authors used the strokes of the alphabet "A" to present the 4 components. We have used a different graphical representation in this summary.





Scorecard: Developing your Success Blueprint

You can only build a house with a blueprint. Likewise, you can only hire the right person with a scorecard. The scorecard is a job blueprint—it describes exactly what success in a role looks like, including the (i) mission (*why* the role exists), (ii) outcomes (*what* the person must deliver) and (iii) competencies (*how* the job should be done given the job requirements and company culture).

Mission = the job's essence or core purpose.

KEY QUOTES

"Hiring A Players takes hard work...You have to dig hard, ask tough questions, and be prepared sometimes for disturbing answers."

"Scorecards are your blueprint for success. They take the theoretical definition of an A Player and put it in practical terms for the position you need to fill."

- Keep it *succinct and precise* e.g. "Double revenues from business clients in 2 years by securing new accounts and growing existing accounts." Limit it to 1-5 sentences and avoid vague terms like "maximize shareholder value" or "improve efficiency".

- Don't hire generalists or all-rounders. *Hire specialists* who have the specific, in-depth competencies needed to succeed in a job. It's like how you'd go to a brain surgeon for a brain surgery instead of a general practitioner. This means that the existing managers must get crystal-clear on what's required. For example, are you looking for a visionary leader who can develop new markets, or someone to consolidate and systematize the existing businesses?

Outcomes are what must be achieved to get an "A" rating.

- A job will typically have *3-8 specific, measurable outcomes* e.g. "grow revenue from business clients from $10mil to $20mil by 31 Dec 2020".

- When the targets are *explicit and challenging*, you will automatically weed out the B and C Players and attract A Players with the right skillsets.

Competencies are behaviors that'd fit the job outcomes as well as the company culture.

- Competencies define how a new hire should achieve the job mission and outcomes. You must address *2 sets of competencies*:

  (i) Job-specific skills and behaviors needed to achieve the outcomes; and

  (ii) Cultural competencies to ensure organizational fit (these should appear on every scorecard).

- Based on their research and experience, ghSMART found that most A Players have several *vital competencies* such as accountability, analytical skills, assertiveness, attention to detail, efficiency, honesty, initiative, learning abilities, organization skills, and persistence.

KEY QUOTES

"The mission should help you find not the generalist who points you to the problem but the very best specialist to help you solve it."

"The first failure point of hiring is not being crystal clear about what you really want the person you hire to accomplish."

Scorecard ↔ Strategy. You can't develop great scorecards without first having clarity on your company's strategy and culture. Unfortunately most managers start hiring with only a vague idea of what's required, or using a general/standard job description.

- Start by *crystallizing your strategy and goals*, and translating them into specific objectives and activities for each person in the organization. That's the only way to directly link individual jobs to the overarching strategy.

- A good scorecard should reflect your business plan and the needs of all key stakeholders. All parties should agree on the scorecard and feel excited at the prospect of having someone like that on the team. The scorecard *creates alignment*, lets the candidate know how exactly he/she will be evaluated, and can be used to monitor and evaluate performance after the person is hired.

- The job role/requirements will change over time as the company faces different challenges/opportunities. Thus, a scorecard must be *updated/recrafted* each time you rehire; you can't simply reuse the scorecard. Here's an example of how a scorecard may look like:

BUSINESS SALES DIRECTOR, ABC INC. **MISSION**: Double revenues from business clients in 2 years by securing new accounts and growing existing accounts.	
OUTCOMES	**RATINGS/COMMENTS**
1.Grow revenue from business clients from $10mil to $20mil by 31 Dec 2020. • Add 50 new business accounts with at least $100k contract value each • Grow existing business accounts by 50%, by up-selling and cross-selling the 5 new product lines A, B, C, D and E	
2.Build & lead a team of 15 sales professionals. • Build a hunting team to secure new accounts • Build a farming team to grow existing accounts • Ensure 100% of sales team are A Players • Provide coaching & mentorship for team.	
3.Design and implement sales training for all customer-facing staff by 31 Dec 2019	

KEY QUOTES

"Scorecards translate your business plans into role-by-role outcomes and create alignment among your team, and they unify your culture and ensure people understand your expectations."

"Scorecards...ensure not just that you have A Players but that the A Players are delivering A performances."

"Scorecards need to be evolving documents, not static ones."

"Properly constructed and used, scorecards spread strategy through every aspect of your organizational life."

COMPETENCIES	RATINGS/COMMENTS
Can hire A Players	
Innovative	
Analytical	
B-to-B Sales	
Follows through on Commitments	

Source: Building a Pipeline of A Players

Most managers don't plan in advance. When a position opens up, they pull out an old job description and rush to fill the vacancy; a handful of candidates are shortlisted given the limited time and info, and one of them is hired using voodoo methods. Sourcing is about systematically looking for and identifying potential talents *before* you actually need the people.

The best way to find A Players is through referrals, not advertising.

- Get referrals from your *personal and professional networks*. Each time you meet someone who asks you "what do you do?", explain what you do and ask "Who are the most talented people you know that I should hire?" You can also list down the most talented people you know, and approach them to ask the same question. If you deliberately speak with 1 person a week, you'll build a pipeline of potential talents.

- Referrals from *employees*. Your employees know your company well, and can be one of the best sources of new hires. Teach them to ask the sourcing question above, and add sourcing as an outcome on every employee's scorecard. You can also reward or incentivize people for their sourcing contributions.

- Tap on your business network by offering bonuses or gifts to *partners and affiliates* who successfully refer candidates to you.

KEY QUOTES

"Talented people know talented people, and they're almost always glad to pass along one another's names."

"By turning employees into talent spotters, everyone starts viewing the business through a who lens, not just a what one."

You can use external recruiters and/or researchers to supplement your hiring efforts—the main difference is that researchers will only identify potential candidates without qualifying or interviewing them. Help your recruiters to know your company thoroughly—share your scorecards and get their suggestions for improvement.

Once you have a flow of potential candidates, you need sourcing systems (e.g. index cards, software systems) to capture the contacts and follow up with them. The goal is to dedicate time weekly for sourcing, and to keep track of the talents and your conversations with them. Even if they're happy with their current jobs, you can still get to know them and ask if they know other talented people.

Select: Identify the A Players using 4 Interviews

Traditional interview techniques don't predict job performance because they focus on how someone behaves during the interview rather than on their track record. You need a structured approach to gather info and evaluate candidates against the Scorecard. You're looking for A Players who have a history of delivering the desired outcomes, have competencies that fit the role and culture, and are passionate about the role.

The screening interview. Sift out the B and C Players quickly using a short (30-45min) phone-based interview. You can potentially weed out 80-90% of the candidates at this phase, thus saving yourselves lots of unnecessary time and energy later on.

- *Review the scorecard* before the call.
- Start by *setting the right expectations*, e.g. "I'd like to take the first 20 min of our call to get to know you. Then, I'd be happy to answer your questions so you can get to know us. Is that ok?" The idea is to hear from the candidate before he/she is influenced by what you say about the job or company.
- Then, use these *4 key questions*:

  (i) "*What are your career goals?*" Listen for a fit between their personal goals and your company needs, as well as their passion for the things found in or required for the job.

KEY QUOTES

"Talent is what you need. Focus and commitment will get you there."

"Talented people know what they want to do and are not afraid to tell you about it."

(ii) "*What are you really good at professionally?*" Ask them to share 8-12 positive traits with specific examples, so you can understand these strengths in context.

(iii) "*What are you not good at or not interested in doing professionally?*" People may be less forthcoming with this than (ii), so you may need to prod for the real answers. If need be, explain that at the next step of the selection process you'll be asking to speak with references like their former bosses/peers/subordinates, then ask "What do you think they will say you're not good at or not interested in?"

(iv) "*Who were your last 5 bosses, and when we talk to them, how will they each rate your performance between 1-10?*" You only want candidates with scores of mainly 8-10.

- *Tips*:

(i) When people believe that you *will* be talking to their ex-colleagues, they're more likely to respond honestly.

(ii) Stay curious—keep probing for details and clarification by asking "what" and "how" questions (e.g. "what do you mean?", "how did that happen?"). Invite them to elaborate with 3 words—"tell me more".

(iii) Once you have clear picture, invite the candidate to ask questions. If you like what you hear, proactively sell to the candidate using your new insights. If not, shorten the call.

- After the call, ask yourself if there's a *match* with the scorecard given the candidate's goals, strengths and weaknesses. Only bring someone to the next phase if you're truly excited that this could be *the* right person.

The Topgrading Interview. This interview covers the candidate's career in a chronological order, using 5 questions to draw out specific facts and stories about each career phase. By the end of 3-5 hours, you'll have a much clearer assessment of the candidate.

KEY QUOTES

- Start by *setting the expectations* e.g. "We're going to walk through each job you've held, in chronological order, with 5 key questions for each job. After that, we'll discuss your career goals and aspirations, and answer questions you may have. Is this ok?"

- The interview will feel like a natural conversation. If you stay curious and keep using what/how/tell me more, you'll get lots of useful info from the candidate. The *5 key questions* are:

  (i) "*What were you hired to do?*" You goal is to get an idea of what their scorecard would've looked like if they had one.

  (ii) "*What accomplishments are you most proud of?*" Listen out for outcomes related to the job you're hiring for. Beware of candidates who talk about events, people or activities without addressing actual results.

  (iii) "*What were some low points during the job?*" Be prepared to reframe this question a few times to get a real answer.

  (iv) "*Who did you worked with?*" Specifically, ask for the boss' name (and how to spell it), what it was like working with him/her, and what the boss will say the candidate's biggest strengths vs areas for improvement are. When interviewing for a management role, also ask them to rate the team they inherited, the changes they made, whether they hired/fired anyone, and to rate the team when they left it. Make sure you sound like you *will* be talking to these references.

  (v) "*Why did you leave the job?*" A Players tend to leave their jobs for *pull* factors (e.g. being hired by a client/ex-boss or being offered a bigger role). B to C Players tend to be *pushed* out of their jobs (e.g. conflict with their boss/ colleagues, missed targets or having their role reduced).

- *Tips*:

  (i) To keep the interview on point and on time, you'll have to *interrupt* the candidate regularly. The key is to smile and jump in enthusiastically on something they said (e.g. "wow that sounds like an exciting party!"), then bring

KEY QUOTES

the discussion back to point (e.g. "You were just sharing about the new product launch earlier. I've love to hear how that went!").

(ii) Clarify the value of their accomplishment by asking them to compare the results against *3Ps*: the previous year's performance, the plan and their peers' performance.

(iii) Listen out for *pull vs push factors*—don't hire anyone who left ≥20% of their jobs for push factors.

(iv) Keep asking questions until you have enough details to paint a *clear mental picture* of exactly what happened in their previous jobs.

(v) Look out for *subtle cues* that the candidate is lying or withholding info, e.g. shifting in the seat or avoiding eye-contact. Be curious and ask questions till the truth emerges.

The focused interview. This interview takes about 45-60 minutes, and the goal is to dig deeper for info on specific outcomes or competencies in the scorecard. You can also involve other team members, but make sure they follow the recommended script to avoid going off-tangent, e.g. assign 3 interviewers to focus on 2 outcomes and 2 competencies each.

- Always include competencies specific to the job and to the culture. *Set the expectations* for each interview, e.g. "The goal of this interview is to understand more about ____ (state the outcome or competency)."

- Then dive in with *2 questions*:

  (i) "What are your biggest achievements in this area throughout your career?"

  (ii) "What lessons have you learned from your biggest mistakes and what insights have you gained in this area?"

The reference interview. You're now ready to test what you learned about the candidate through reference checks. Never skip this step.

KEY QUOTES

"Keep asking until you understand what the person did and how he or she did it."

- For your reference interviews to be *effective*, (i) pick the references from your interview notes instead of using the candidate's list, (ii) get the candidate to set up the interviews, and (iii) aim for 7 reference checks (ideally 3 former bosses, 2 peers/customers, and 2 subordinates).

- Ask these *5 questions*, using how/what/tell me more to probe deeper:

  (i) "In what context did you work with (the candidate)?"

  (ii) "What were (the candidate's) biggest strengths?"

  (iii) "What were (the candidate's) biggest areas for improvement back then?"

  (iv) "How would you rate his/her overall performance on a scale of 1-10 scale? What aspects of his/her performance led to this rating?"

  (v) "(The candidate) mentioned that he/she struggled with ____ in that job. Can you tell me more about that?"

- Most people don't want to give a bad reference, so you have to listen for *false positives* and what's not being said. Some tell-tale signs include: the use of qualifiers, pauses, "ums" and "ers", or a lack of enthusiasm. A true A Player should call up a genuine sense of admiration and energy in the ex-colleague.

Deciding who to hire.

- Throughout the interview process, *red flags* may surface, e.g. the candidates may speak badly of past colleagues, seem self-centered, avoid talking about failures or find excuses for themselves. Don't ignore these tell-tale signs—keep asking questions and you may be surprised by the truth that emerges. Only move someone to the next phase of the interview if you're convinced they could be the ideal candidate.

- A candidate will have ≥90% chance of success if he/she has both the skills (that match the desired outcomes) and the will (that matches the mission and competencies). After the 4

KEY QUOTES

"Under the pressure of a hiring decision, even obvious clues can slide right past otherwise highly astute people."

"A truly positive reference... should brim with tremendous enthusiasm and obvious admiration."

interviews, complete the scorecards and give each candidate an overall grade of A, B, or C. *Only hire A-graders*. If you have no A-graders, keep sourcing; if you have multiple A-graders then hire the best.

Sell: Secure the Candidate

Your job is not done until the candidate is delivering results as your employee. To get them through the door, you must sell to them by sincerely appealing to the 5Fs that people care about.

- *Fit*. Show the candidate how his/her goals, talents, and values fit with your organizational vision, strategy and culture, as well as the job mission, outcomes and competencies.

- *Family*. Win over the family, especially if a relocation is involved—show them around, have meals with them, and make them feel at ease and excited about the shift.

- *Freedom*. A Players don't want to be micromanaged; they need the freedom to drive their results and prove themselves. Help them believe that they can thrive in your organization.

- *Fortune*. You can rarely win over an A Player just by throwing money at him/her. However, you can link performance objectively to the scorecard outcomes. A Players will be confident of achieving those results and find it fulfilling to earn top dollars for top performance.

- *Fun*. The definition of "fun" will vary with each culture and individual. However, if there's a genuine fit, the candidate should find it fun and enjoyable to take on the job in your company.

In reality, you'll have to sell *throughout* the recruitment process, not just at the end. Specifically, you must sell across 5 phases of the hiring process: during sourcing, during interviews, while waiting for the candidate to accept your offer, after the offer has been accepted, and during the new hire's first 100 days on the job. You can lose the person at any point in this process. Listen for concerns regarding the 5Fs and address them immediately. Do your best to maximize your A Player's chances of success.

KEY QUOTES

"Don't fumble the ball as you run across the goal line. You are not finished until your candidate becomes an employee."

"The key to successfully selling your candidate to join your company is putting yourself in his or her shoes. Care about what they care about."

Conclusion

Implementing the A Method for Hiring

Hiring A Players takes deliberate effort, hard work and persistence. However, the results are worth it, since the right talents will influence/shape your company culture/direction and define your long-term success. Eventually, your goal should be to build an A-team, i.e. a team of A Players, each with their own strengths suited for a specific role.

You don't have to be a CEO to use the A method of hiring—it can be applied at any level in an organization, be it a department, business unit or a function.

Other Details in the Book to Look out For

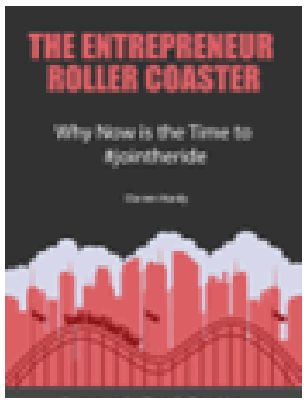
This is a clear, structured guidebook to hiring A Players. Besides the highlights in this summary, the book includes many other tips and insights, including: red flags or behavioral warning signs to look out for, 10 things required for installing the A method, legal traps to avoid, and numerous examples with specific scripts and phrases to help you get the most from your hiring process. For more details, please visit https://whothebook.com/.

About the Authors

Geoff Smart (born 1972) is an entrepreneur, speaker and author. He's the chairman and founder of ghSMART, a leadership advisory firm that helps companies with hiring, developing and leading talented teams. In 2017 and 2018, Forbes named ghSMART as the best management consulting firm in its industry segment based on surveys of business leaders.

KEY QUOTES

"Collectively, (A Players) form an A team because they know how to pull the oars together. They propel your business forward by making unique contributions that add up to something greater than the sum of parts alone."



THE ENTREPRENEUR ROLLER COASTER

Why Now is the Time to #Jointheride

DARREN HARDY

The Big "So What"

Most people have no idea how to start a business nor what to expect. This is a guidebook that explains what it takes to start a business and how to prepare yourself for the ups and down of the entrepreneurial roller coaster ride. It offers useful insights for anyone deciding whether to start a business, or who wants to maximize his/her chances of success in business.

Introduction

Today, there are more opportunities than ever to start your own business. Technology has opened up new possibilities for individuals and small businesses which were previously available only to big corporations. In the last decade, global wealth has increased by 69% and there's been a spike in the number of new millionaires. Hardy urges you to grasp the opportunity and join the ride.

Hardy started his first business when he was 18 and earned $20,000 a month by the age of 19. Although he has built several successful businesses—from door-to-door sales to real estate, online media and educational software—he has also made his share of mistakes.

In the book, he shares many stories and anecdotes from his own experience, as well as insights gained from interviewing top leaders and business magnates when he was the publisher of the SUCCESS magazine. The book is organized into 8 key chapters, with recommended action steps at the end of each chapter to be completed with free downloadable worksheets. In this summary, we've integrated the ideas from the book with key action steps from the worksheets.

KEY QUOTES

"This book is about helping you embolden that fiercely independent and powerfully self-reliant spirit that already resides inside you."

"This is what business is like...a frightening, exhilarating, and totally addictive thrill ride."

Meeting the Minimum Requirements

You need to be of a minimum height to get on a roller coaster. Likewise, there are 3 minimum requirements to succeed in business.

Find your Love/Passion

The entrepreneurial journey will be tough. Without love or passion, it's hard to stay the course. Passion is something that's already inside you and just needs to be switched on.

Your first role is to identify your switch, by considering 4 areas:

- *Loving **what** you do*. In reality, we can never be passionate about *everything* we do. What we see of someone's work is usually just a fraction of what they really do. We may see celebrities in the movies and on the red carpet, but we don't see the hours spent on casting, negotiations, research, meetings, makeup, traveling etc. Only 5% of our work is likely to be what we love; the other 95% is work that we *don't* love. Moreover, many of our passions are merely hobbies and can't be applied to our work.

- *Loving **why** you do it*. If you can find the outcomes that you can fall in love with (the "why"), you'll find it easier to bear with the 95% of the work you dislike. Hardy is driven by his passion for empowering entrepreneurs and helping people to achieve their desired results and success.

- *Loving **how** you do it*. Even the most mundane job—be it housekeeping or administration—can be motivating when you aim to deliver it to the highest standards. Bring excellence and passion to your work and people can't help but notice you.

- *Loving **who** you do it for*. You may also love your work because of the people who benefit from it, e.g. your loved ones or members of a community you care about.

KEY QUOTES

"Passion is like electricity in a light switch. It's always there...ready to be turned on."

"Don't over-romanticize the idea of being wholly passionate about what you do...Nothing is awesome all the time."

"Work is gonna suck 95% of the time. But that other 5% is freaking awesome!"

"The two most important days in your life are the day you are born and the day you find out why."
- Mark Twain

Find your Fight

We are driven by the pursuit of pleasure or the avoidance of pain. An "enemy" like injustice or poverty can trigger feelings of fear or anger which are powerful motivators. The key is to find something that fires you up and gives you the emotional drive to succeed in business.

Find your Strength

To succeed, you need more than sheer motivation. You must also identify unique advantages that will help you succeed in business. Over the years, Hardy discovered that his unique strength lies in his communication skills, and the businesses that thrived were those that tapped on his strengths.

Strength Training. After studying and interviewing many successful people for the SUCCESS magazine, Hardy found that success has nothing to do with your DNA or background; it's a result of mastery that comes from persistent hard work.

- The "10,000 Hour Rule" popularized by Malcolm Gladwell says that mastery comes from about 10,000 hours of *deliberate, focused practice*. Top performers in any field—from music legend David Foster to famous basketballer Michael Jordan—all attain mastery after years of repeated practice and learning. However, passion gives them an added boost to keep pushing for improvements and new heights.

- Don't let anyone tell you what you're born or not born to do. Only you yourself can *choose where/how to invest your efforts*.

Action Plan

Identify your Passion. Consider what you love about your current job/ business in terms of what, why, how and who. If you don't love anything about your current vocation, then consider what you'd do if you already had all the money you want, what makes you feel most alive and fulfilled (and why), and who you'd trade places with professionally (and why).

Find your Fight. Consider what enemy is keeping you from what you love or care about. What are you willing to fight for?

Find your Strength. Consider what areas you stand out in, and what you do relatively effortlessly compared to others. Identify ways to build those strengths.

KEY QUOTES

"The reality is love and hate are the same thing—just looking in different directions."

"DNA has nothing to do with success. Turn your genes into overalls and get to work."

"Everyone has talent, but ability takes hard work."
- Michael Jordan

Get Ready (Buckle Up)

One of the most challenging things about entrepreneurship is the amount of rejection and ridicule that you'll face. Even those closest to you may discourage you, tell you that you're crazy and try to convince you to follow the conventional path. Realize that the rejection is not about you; it's about them because you remind them of what they themselves dare not do.

Use these 5 strategies to crush these negative voices:

- *Don't be likeable.* When you create change and rock the status quo, it upsets people. Stop worrying about what others think about you and don't let their opinions hold you back. Treat disapproval and dislike as a sign that you're on the right track, rather than a sign of rejection or failure.

- *Get laughed at.* When revolutionary ideas like SpaceX and Disneyland were first conceived, people laughed at them. Arnold Schwarzenegger (an Austrian) faced his share of ridicule when he said he was going to become a big movie star in America, and again when he said he was going to become a governor in California. When people mock you, treat it as a sign that you have a truly original idea.

- *Define success in your own terms.* Most of us spend our lives trying to live up to others' standards. Hardy himself spent much of his life trying to gain his dad's approval, before he learned to define success on his own terms. Consider what real success means to you, what would bring you true happiness, joy and fulfillment, and how you'd measure it. Write it down.

- *Realize most opinions don't matter.* Most of the time, others are more interested in how you make them look, than in you or your idea. Before you allow yourself to be dragged down by someone's negative opinion of you, consider if that opinion really matters—will the person cry at your funeral or even attend it? The answer is probably "no".

KEY QUOTES

"People don't resent you for being brave. They resent themselves for being afraid."

"When you step outside the status quo, you become a giant mirror for those who stay, reflecting back their cowardice."

"If no one is ridiculing or laughing at you, you either don't have a revolutionary, change-making idea yet, or maybe you've been afraid to finally share it with the world."

"Don't let the noise of others' opinions drown out your own inner voice, heart, and intuition."
- Steve Jobs

"We all get knocked down. How quickly we get up is what separates us."

- *Shorten your recovery time*. So long as you're pushing yourself outside your comfort zone and trying/learning new things, you'll inevitably fail. In fact, you'll probably face repeated setbacks. Know that it's expected, give yourself some time to recover, then move on. Remind yourself that being rejected and knocked down are signs that you're growing and improving.

The surest way to fail is to quit. Crush the naysayers and persevere to achieve success on your own terms.

Action Plan

- Identify the **people holding you back** and apply the strategies above.
- Identify and write down your own **definition of success**

Power Up

As an entrepreneur, you'll find that there's way too much to be done in too little time. To get results, you must focus on the right things.

Know your main priority: Sales

The best businesses aren't the ones with the best products, star players, nor outrageous margins. 90% of the time, it's all about having great sales and marketing. Apple's iPod didn't take off until 3 years after its launch, because it changed its approach and convinced people that everyone should have "1,000 songs in your pocket".

No matter how big or small your business is, your #1 job is to sell.

- Many people find sales scary and try to hide behind other tasks on their to-do list. However, there's simply *no hiding from it*. Without sales, you have no business.

- Besides selling to customers (directly or via your sales team), you must also *sell your vision* to internal and external stakeholders, convince the *right people* to join you and give their best etc. You must sell to everyone, every day.

KEY QUOTES

"It is precisely in those moments of strife, struggle, and failure...that the true achievers are born."

"The ultimate success of a product or service is 10 percent product quality and 90 percent sales."

"You're going to sell. All day. Every day. That's business."

The good news is, all of us are natural salespeople. As babies and kids, we intuitively "sell" to adults to get what we want, be it crying or turning on our charms. Yet we convince ourselves as adults that we can't sell. Learn to build your sales muscles with these 9 steps.

- Don't think of your prospects as targets, as if they're on your hit list. Instead, think of them as *people you're going to help*. This simple switch in framing changes your entire sales approach to focus on what *they* want and how you can help *them* get it.

- The most vital ingredient of effective sales and marketing isn't conviction, passion, or even persistence. It's empathy. Take the time to *put yourself in their shoes* and feel how they feel. When you truly understand your customers, you'll use language that reflects who they are, who they aspire to be, and what they seek to do.

- In sales, the only need that matters is the *perceived need of the customer*. It's a common mistake to try and fill a need you think needs to be filled. Stop talking, pushing, pitching and assuming; instead, ask questions, probe for details, listen more and seek to understand your customers' perceive needs.

- Don't use a one-size-fits-all approach for everyone. To *find the hot button for each customer*, you must first connect with the customer by asking the right questions, then connect their desire or hot button with the solution you have.

- Don't do cold calls. Instead, find a *"relationship bridge"*, or someone credible who can introduce or refer you personally to your desired client.

- Don't sell to one person at a time. *Sell in bulk* through influencers who have a ready network or access to customers.

- *Make an impression by being shocking and awe-inspiring*. When Hardy was in real estate, he'd show up at the prospects' doorstep on the morning their listing expired, and asked that they list with him. For 2 weeks, he'd follow up daily with a series of cheesy-but-memorable actions, e.g. sending a package of combustible materials and explain why he was

KEY QUOTES

"Want to sell more? Stop selling. Help instead."

"Sales is filling a customer's perceived need, not your need to sell something."

Da-Bomb, or having an assistant deliver a "SOLD" sign which they'd need if they hired Hardy. Such an aggressive approach may turn off a minority of people, but it gets the attention of the remainder.

- *Focus 90% of your efforts on 10% of your best clients*; They love what you offer, buy more and buy more frequently, are a joy to serve and tell their friends about you. Identify your best clients using these 3 criteria: (a) *they're easy to reach*, (b) have the biggest, most evident *perceived need* and see the value of what you offer and (c) *are profitable* (with a higher lifetime value in terms of the size and frequency of purchases and referrals).

- *Find your Dream 50*, i.e. people or organizations who can bring you millions of revenue if they buy into your product or service. Just securing a few of such relationships can transform your entire business.

Action Plan

Assess & re-prioritize your strategic focus. Rate where your business stands for each of these strategic areas: product/service, leadership/management, margins, sales & marketing. Identify the *% of your time* currently allocated to each of the areas above. Identify how you'd *reallocate your time* to reflect that 90% of your business success will come from sales and marketing.

Find & capture your Dream 50 using the sales strategies above. *Identify* and list your Dream 50 customers. *Put yourself in their shoes* to consider their worries, fears, desires, goals, hopes and needs. *Customize your solution* to their unique pains, hopes and desires and consider how you'd show that you can give them what they want. Identify the *relationship bridges* to get introduced. Then go all out to *shock and awe* them.

Fill your Empty Seats

At some point, your coaster (or business) is going to take a plunge. Would you want the people riding with you (your team) to be fearful and paralyzed, or excited and ready to take on the challenge? Unfortunately, entrepreneurs tend to get so excited by people who love their ideas/vision that they overlook their skills/experience, or they try to hire people to put out fires rather than to bring their vision to life.

KEY QUOTES

"The key to greater profits is rarely capturing more clients. (It's) capturing more valuable ones."

"You can't hire enthusiasm. You need to hire evidence... Hire evidence, not hope."

Hire only A-Players

You must hire people who already have the right skills, character and experience (and can show evidence of that).

- For an average business, 65-80% of the operating costs go toward staff wages. You simply *can't afford to hire the wrong people*, since the real costs include not just their salaries, but also the mistakes and missed opportunities.

- As a busy entrepreneur, you also don't have the time to *train people from scratch*.

You should only hire A-players (not B-players or C-players) because they make your work easier, improve your business and free you up to do what you need to do as the owner. More specifically:

- *A-Players attract other A-players*. Having the right people on your team can be the best recruiting tool.

- *A-Players are winners*, and it's your people (not your products and systems) that will shape your company.

- *A-Players pay for themselves*. Don't worry about paying more—someone who earns $250,000 a year but brings in $5 million revenues for your company is effectively free.

Build a High-Performance Culture

You can't dictate or shape your company culture; you can only hire people with the attributes desired for your culture. Be personally involved in the hiring process and do these 3 things to recruit effectively:

- *Know what you want*. You're looking for A-Players who're (a) better than you and can deliver what you can't, (b) have the character traits needed to succeed and form your desired culture (e.g. discipline, friendliness), and (c) can fall in love with what they'll be doing in your company.

KEY QUOTES

"The single most important thing you need to do is pick the right people and keep them. There is NOTHING more important than this."
- Jim Collins

"Your business will only be as good as the people you recruit to join it."

"A great person in the wrong environment is still the wrong person."

- *Know what they want*. Generally, people look for 5 things in their work: the ability to work with other great *people*, being part of a meaningful *challenge* (or purpose), having the *opportunity* to move up or progress in their career, the ability to *grow* and become more of who they want to be, and being fairly *compensated* for their contributions. Realize that money is just 1 of the 5 components.

- *Make it fun*. Having fun at work doesn't always mean playing billiards or having free meals in the office. When the 5 factors above are met and people are excited about what they do and who they're working with, work can be fun and fulfilling.

Action Plan

Take stock of the top 5-10 key positions, competencies and skills you need to become the market leader. Assess if your current people in these roles are A-Players, i.e. better than you in their roles, have the desired traits for your culture and are in love with what they're doing for your business. Identify the positions that must be upgraded.

Define what you want, including the role, job description, how success will be measured, the results you're paying for, and the attributes, competencies, character or qualities required.

Define what you can offer in terms of: people, challenge, opportunity, growth, money and fun.

Take the Front Seat

In any organization, the quality of its leadership determines its performance. As the leader, you must bear 100% responsibility for *everything* that happens in your organization—share the credit but own the blame.

To be effective in the 21st Century, leaders must:

- *Lead by example*. People watch what you do, not what you say. Lead from the front so people can follow you, never ask others to do something unless you've done it yourself, and act as if *everything* you do—from being late for a meeting to gossiping about a colleague—is being watched by others.

- *Be willing to do what's right/necessary*, even if it's unpopular.

KEY QUOTES

"What makes work fun is doing meaningful work.
- Cody Foster

"The number one bottleneck or constraint to the growth of any organization is the leader."

"Only ask for others to do what you have done yourself first."

- *Bring out the best in your people*. Encourage every member to contribute, facilitate engagement and co-creation, and help people to grow and thrive by removing fear, nurturing positive attitudes and beliefs, and investing in their personal growth.

- *Let others lead*. When you first start a business, you must do everything from sales to customer service and accounting. Aim to grow sales to a point where you can hire specialists to handle each function, so you can increasingly focus on leading.

- *Know when to let people go*. As your business grows, you may find that certain roles have outgrown the people currently doing them. Be prepared to redeploy or even let people go if they can no longer pull their weight or no longer fit.

How you think and act as a leader affects others, and it's vital to set the right example. However, we tend to think that we're better than we really are. Develop yourself and your team members using the action plan below.

Action Plan

Improve your leadership. List down 20-30 important attributes you want in your team (e.g. discipline, drive, empathy). Then, select the 12 most vital attributes and plot them in the Leadership Development worksheet (download it for free here). Rate yourself (from 1-10) on how well you exemplify these attributes daily. Get at least 3 other people to rate you on the 12 attributes, then compare the scores and identify your areas for development.

Improve your team. Rate your top 5 leaders on the 12 attributes, get them to rate themselves and you, compare notes and discuss their development plan.

Do a re-evaluation every 90 days to track your progress. The goal is to eventually score 10 on all 12 attributes.

Pick Up Speed

As your business grows, you must become increasingly productive without being overwhelmed. Just like how doctors use vital signs (e.g. heart rate and blood pressure) to assess your health, you need to focus on 4 vital factors to manage your business for success.

KEY QUOTES

"You can't be a great leader if you spend your time doing tasks that aren't actually leadership."

"Every endeavour that you do has a few vital functions. All you have to do is figure out what they are and become excellent at them."
- Dr. Mehmet Oz

1. Your Vital Functions

Every job or junction has a few key things that matter the most. Track how you're spending your time in the day, then work on increasing the amount of time spent on your vital functions.

Know your value. Calculate your hourly rate (personal annual income divided by annual work hours). Every task that you can hire for less than that hourly rate must be delegated or deleted. If you earn $200,000 a year and work 2,000 hours, each hour of your time is worth $100 and should not be spent on work worth less than that.

Identify your top 3 vital functions/roles, then zoom in on the #1 vital function which only you can do, which you do best and contributes the most to your organization. Then, cut down everything that's not vital to free up time to focus on your #1 function. Track, measure, and master the skills needed to excel in this function.

2. Your Vital Priorities

These are the tasks you must perform well to accomplish your vital function. List down all your priorities (to-do items, key projects), narrow down to the top 3 priorities and say "no" to everything that doesn't contribute significantly to these 3 priorities.

3. Your Vital Metrics

Your metrics help you to know if you're on-track or off-track so you can do course-correction.

List down 5-6 key metrics that make up the economic engine of your business and reflect your progress (e.g. # new customers) then identify the drivers behind these metrics (e.g. visits to store, new database opt-ins).

Use the "Massive Transformation Formula" (MTF):

- Identify the *Big 3 goals*, which if achieved, will make this year the best year of your life. Throw the other goals away.

KEY QUOTES

"Just do the vital functions (amazingly well) and build a great team who are excellent at the rest."

"Activity is not productivity."

"Decide on a few critical things, do them more often, then get better at them."

- Identify the *1-2 key habits* that'd be most crucial to achieving your Big 3 goals. Repeat them until you form the habits.

- Take 30 seconds daily to *track and review* how far you've achieved your Big 3 goals and key habits. Make adjustments and make up for the difference if needed.

4. Your Vital Improvements

To improve, you must go beyond learning and spend more time doing. Achieve significant and lasting improvements using these 3 steps:

- Identify the skills that are most vital to your Big 3 Goals;

- Commit part of your time and income to invest in yourself, e.g. attend a program or get a coach/advisor; and

- Rinse and Repeat. When you find something/someone that works for you, rinse and repeat to deepen the learning.

Action Plan

Calculate your **hourly rate**; delegate/delete everything that's worth less.

Define your **4 vital factors** and get your team members to do the same.

Formulate your **MTF** and get your team members to do the same.

Hands in the Air

Entrepreneurs are not fearless risk-takers. Everyone feels afraid at some point and it's all about facing your fears.

Use these 6 brain hacks to conquer your fears:

- *Realize that fear is not real*. It's merely an illusion that arises from how our brains interpret something. The next time you're held back by your fear, ask yourself, "will this kill me?". The answer is probably "no".

- *Don't fear your fear*. Often, the anticipation of doing

KEY QUOTES

"The brave man is not he who does not feel afraid, but he who conquers that fear."
-Nelson Mandela

"The fear itself hurts more than the thing you are scared of."

something already evokes fear and such pre-fear can be even more damaging that the thing that you fear.

- You don't need to be brave all the time to succeed. You just need *20 seconds of courage*, 3x a day, to do the things that'll make a difference, e.g. to say "no" or call your dream client.

- We tend to imagine the worst possible scenarios of how things can go wrong or how we will fail. *Focus on the task* and do it well; don't fret over imaginary outcomes.

- With enough practice, you can *habituate yourself to fear*, e.g. feel less fearful calling a prospect or stand on a public stage.

- *Make failure fun, not scary*. Massive failures can be the source of some of your most valuable lessons. Make a game of it: try to out-fail yourself and your competitors. It will involve lots of humiliation and pain initially, but these will eventually give way to results.

Action Plan

List down your fears and identify the **top 3 fears**. Ask yourself, will you die from it, how can you habituate it and make it fun.

Take 20s, 3x a day, to **tackle your fears** daily.

Smile for the Camera: Don't Miss the Point

In the pursuit of your goals, don't lose sight of what matters most.

Hardy shares several dos and don'ts to ensure you enjoy the ride:

- Don't follow others' path or their model of success. Define what *you* want, *follow your own path* and enjoy the journey.

- A bigger business may not always be better for you. Consider what you want at the *end of the journey* (e.g. health, freedom, love etc.) and do/track the things that'll get you there.

- Don't get distracted along the way or get discouraged by what others say. *Stick to what matters most*.

KEY QUOTES

"The activities you are most afraid of are the activities that can cause a breakthrough in your success. Step into them."

"The key to success is massive failure. Go fail!"

"Getting to the end of the ride is not the point. Being a successful rider isn't the point either. The point is enjoying the ride."

- *Trust your gut*. If you're unsure whether to pursue something, ask yourself if you'd look back when you're 80 and regret not doing it.

Use the action plan below to get clear on what matters most.

Action Plan

Identify your point. Write down WHO and WHAT you value the most. Ask yourself honestly if you're allocating most of your time and energy to these people/ priorities; if not, identify what will you do to change it.

Start with the end in mind. Write your obituary using the template provided online: consider how you want to be remembered, and start living that life today.

Identify your regrets. Ask yourself: If you died today, what would you regret and how can you prevent those regrets from becoming a reality?

Other Details in the Book to Look out For

This book is written like a workbook, and the tips are meant to be applied. You can supplement the key ideas in this summary with more examples/stories from the book and/or download the free worksheets at www.RollerCoasterBook.com/Resources.

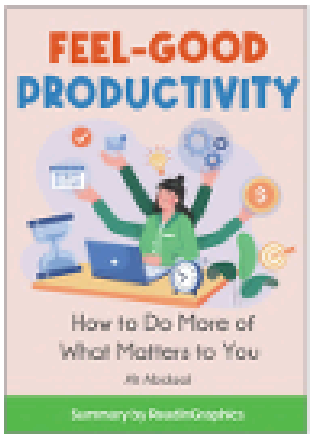
About the Author

Darren Hardy is an American author, keynote speaker, advisor, and former publisher of SUCCESS magazine, with more than 20 years of experience in the personal growth and success industry. He has led three success television networks producing over 1,000 TV shows with famous thought leaders.

In December 2015, Hardy announced his decision to leave Success magazine as publisher to focus on new opportunities including speaking engagements, media appearances and private mentoring. Find out more about Hardy at www.DarrenHardy.com or access free mentoring tips at his website www.darrendaily.com.

KEY QUOTES

"Don't miss the point. Spend your days pursuing the things you want said in your eulogy."



FEEL-GOOD PRODUCTIVITY

How to Do More of What Matters to You

Ali Abdaal

The Big "So What"

Feel-Good Productivity is a fresh approach to productivity. It seeks to achieve more not by pushing harder, but by feeling better. In this book, Ali Abdaal shares how to harness positive emotions to boost your energy, find fulfillment, and achieve more of what matters in a sustainable way.

What is Feel-Good Productivity?

Abdaal initially relied on hard work and discipline to complete medical school. However, as a doctor, he found traditional productivity methods to be unsustainable. He started to question conventional productivity, research alternatives, and eventually developed Feel-Good Productivity—an approach that focuses on feeling good to achieve more, rather than relying on constant discipline and hustling.

- This shift helped Abdaal to feel more positive and productive at work, and refocus on what truly mattered. Eventually, he left medicine and became an author and YouTuber.

Why Feel-Good Productivity Works

The Broaden-and-Build Theory by psychologist Barbara Fredrickson explains why feeling good can help us become more productive, resilient, and effective at problem-solving. Positive emotions can:

- *Broaden our awareness*, allowing us to see more possibilities and solutions; and

KEY QUOTES

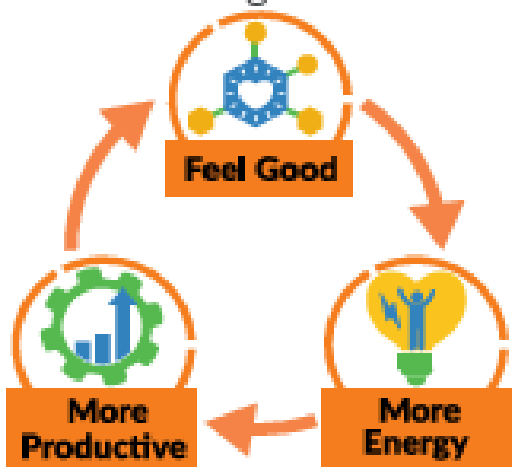
"Success doesn't lead to feeling good. Feeling good leads to success."

"Positive emotions are the fuel that drives the engine of human flourishing."

"By understanding and applying what makes you feel good, you won't just transform your work. You'll transform your life."

- *Build mental and emotional resources* over time, giving us the resilience and social bonds to thrive in the long-term.

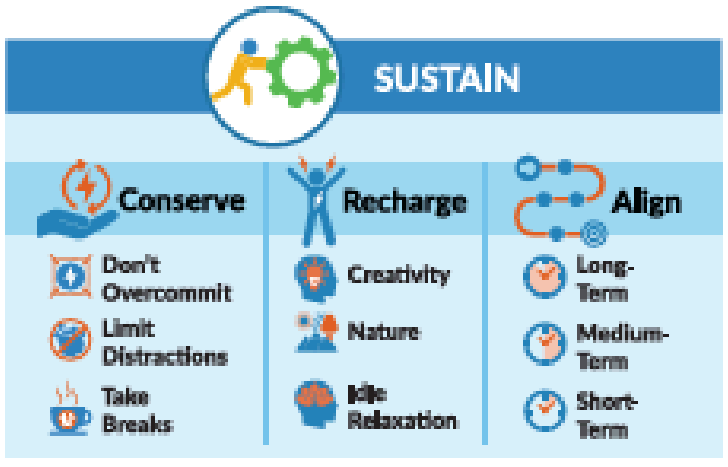
Feel-good productivity works for 3 main reasons:



- Positive emotions release feel-good hormones (endorphins, serotonin, dopamine oxytocin) that *boost our energy and motivation*.
- Positive emotions also *reduce stress* by mitigating stress responses and restoring calm after stressful experiences. This enhances resilience and well-being.
- Research shows that happiness doesn't come from success, but the reverse. People who nurture positive emotions exhibit higher creativity, productivity, and *fulfillment*. They're more likely to excel, build strong relationships, and achieve long-term success.

Feel-Good Productivity aims not just to do more, but to achieve what matters most, balancing productivity with a fulfilling life. This book serves as a guide and toolkit to help you apply the philosophy to your life.

- It is structured in *3 parts*, each containing science-backed strategies and experiments or practices that you can test out in your life.



KEY QUOTES

"What's contained in these pages isn't just another productivity system to help you get more done at any cost. It's about doing more of what matters to you. It'll help you learn more about yourself, what you love and what really motivates you."

"This book isn't a to-do list. It's a philosophy–a way of creating your own personalised productivity toolkit."

Part 1: Energize

To use positive emotions to energize yourself, integrate 3 "energizers" into your daily life: Play, Power and People.

Play

Play isn't just for kids; it's also a powerful tool for adults to recharge and gain new ideas. A playful mindset relieves stress, provides fresh perspectives, and reconnects us with our curiosity.

- For example, *Richard Feynman* was facing burnout after years of intense work. One day, he became curious about some wobbling plates—this playful approach reignited his passion for physics, eventually leading to discoveries that won him a Nobel Prize.
- You can *incorporate play in 3 ways*: (i) embracing adventure, (ii) finding fun in your tasks, and (iii) reducing pressure.

Embracing adventure: See life as a game, full of surprises and opportunities to be discovered.

- *Choose your character*: Just like role-playing games, you can adopt a playful alter-ego in real-life. Here are 8 "play personalities" identified by Dr. Stuart Brown:
  - *Collectors* find joy in gathering items or organizing activities like a garage sale.
  - *Competitors* enjoy challenging themselves and winning, be it sports, games, or friendly contests.
  - *Explorers* seek out new experiences, from travel to new ideas/perspectives.
  - *Creators* love to make things (e.g. inventions, art, music).
  - *Storytellers* are drawn to narratives and imagination-based activities, e.g. writing or acting.

KEY QUOTES

"Seriousness is overrated. If you want to achieve more without ruining your life, the first step is to approach your work with a sense of play."

"Life is stressful. Play makes it fun."

"Remembering what play is all about and making it part of our daily lives are probably the most important factors in being a fulfilled human being."
—Stuart Brown

- *Jokers* enjoy humor, often making light of situations to bring joy and laughter to others.
- *Directors* love to coordinate people, ideas, or activities.
- *Kinesthetes* delight in physical, movement-focus activities, such as sports and dance.

- Get curious: Research shows that curiosity enhances dopamine release, improving memory and engagement. Ask questions and learn for the joy of learning, not only for maximizing results.

Look for the fun in any task: Any task—even routine ones—can be made fun and enjoyable.

- *Remind yourself to have fun*. Try placing Post-It notes in strategic locations to prompt yourself: "How can this be more fun?" Make mundane tasks enjoyable, like adding music to your work or study sessions.
- Don't fixate on the outcome; learn to *enjoy the process*.
  - Renowned psychologist Mihaly Csikszentmihalyi found that people are more likely to enjoy a task and get in "*flow*" when they immerse fully in the task.
  - Transform mundane tasks into a *personal game*. For example, when storyteller Matthew Dicks worked at McDonald's, he tried creative ways to pitch BBQ sauce to customers, turning an otherwise repetitive job into a fun game.

Reduce the pressure: It's hard to be creative or productive when you're stressed and uptight.

KEY QUOTES

"When you step into the right 'play personality', every day abounds with opportunities to see life as a game, filled with surprises and side quests."

"Being curious about everything not only makes you more creative. It enriches your life."
—Walter Isaacson

"Remember Mary Poppins: there's an element of fun in every task, even if it isn't always obvious."

"With a little creative thinking, you can find joy in any process, however mundane it might seem."

- *Reframe mistakes as "data points"* for learning. In an experiment, students became less willing to try when they were penalized for failures. This shows why we should reduce the stakes of failure.

- *Be sincere, not serious*: For example, instead of trying to give a perfect presentation, focus on sharing your message more authentically. This can make your interactions less stressful, more natural and rewarding.

Power

Power here means personal empowerment, not controlling others. It's about taking charge of the decisions, actions, and habits that shape your future.

- You can *empower yourself* by (i) building confidence, (ii) improving skills, and (iii) taking ownership.

Build your confidence: Your beliefs about your abilities affect both your performance and enjoyment. In one study, participants who believed they were fitter performed better and enjoyed workouts more, even though their fitness levels were actually similar to other participants. To build confidence:

- *Prime yourself for success* by imagining a more confident version of yourself. When you feel unsure, ask: "What would it look like if I were truly confident?" Visualize yourself handling the task confidently and successfully, and use affirmations like "I can do this" or "Almost there."

- *Vicarious mastery*: Observe others who have succeeded in similar challenges. If you're learning rock-climbing, study successful climbers. If you're starting a business, immerse yourself in successful entrepreneurial stories. This provides social proof—if others can do it, so can you.

Enhance your skills through "enactive mastery", i.e. learn by doing.

- *Adopt a beginner's mind* (Shoshin approach): Approach tasks with humility and curiosity. Ask yourself, "How would I do this if I were new to it?" Set aside preconceptions, open yourself to new methods, and remove the fear of failure.

KEY QUOTES

"Failures are only failures when you think they are– and not every problem need be approached with such a straight face."

"No failure is ever just a failure. It's an invitation to try something new."

"'Power' is a scary word, but it doesn't have to be... we simply mean feeling empowered to take your job, life and future into your own hands."

"Confidence isn't something you're born with; it's something you learn."

"Believing you can is the first step to making sure you actually can."

"If they can, you can too."

"Beginners don't hold strong beliefs about what will work, they just try."

"He who teaches learns."
—Seneca

- *Teach as you learn* (Protégé Effect): Teaching others reinforces your learning better than passive study. Ask yourself: "How can I teach others even if I'm not an expert yet?" Guide or mentor those who're a few steps behind you to solidify your learning.

Take ownership of your life. According to the self-determination theory, the more ownership or autonomy you feel, the more engaged and fulfilled you'll be. Even if you can't control the situation, you can control your approach and mindset.

- *Take charge of your processes*: Even if you can't choose what to do, you can choose how to do it. For instance, a teacher may not choose the curriculum, but they can control how they teach. Approach the task in a way that makes it more enjoyable, engaging, and meaningful.

- *Choose a positive, autonomous mindset*. In any situation, you can always choose your attitude.

  - Stop thinking "I have to..." or "Why must I...." as they only amplify negative feelings about the task/situation.
  - Instead, use the words "I choose to..." or "I get to..." This transforms perceived obligations into conscious choices, reinforcing the sense of control over your mindset and response.

People

Our interactions generate relational energy that affects our motivation and performance. People who emit positive energy uplift us, while "energy vampires" drain us.

- To *harness positive relational energy*: (i) find your community, (ii) help others, and (iii) over-communicate.

Find Your Community: Surround yourself with people who inspire you and align with your goals and interests. A like-minded community boosts motivation, creativity, and a sense of belonging.

- *Adopt a collaborative mindset*: See your peers as allies, not rivals. Teamwork isn't just about splitting the work—it's also about mutual support, growth, and being part of a shared journey.

KEY QUOTES

"You don't need to be a guru. You can just be a guide."

"If you can't choose what you work on, you can still choose how you work on it. The outcome isn't always in your hands. But the process, and certainly your mindset, often is."

"There's an extraordinary power to be gained by doing it your way. Even in the most disempowering circumstances."

"Everything can be taken from a man but one thing: the last of the human freedoms–to choose one's attitude in any given set of circumstances, to choose one's own way."
—Viktor Frankl

"There are some people who naturally uplift our energy – the trick is finding them."

"Teamwork is as much a psychological state as a way of dividing up tasks."

- *Create synchronicity* through coordinated activities or shared rhythms. This creates unity and support, and improves both mood and energy levels. Even if you're not working on the same task, you can work in sync, such as working on your own tasks in parallel.

Help others: When we help others, it triggers the release of oxytocin that creates a "helper's high". It also energizes both parties, and strengthens connections.

- *Perform random acts of kindness*: Small acts (like a kind word or getting someone a drink) can brighten someone's day, foster goodwill, and boost your own mood.

- *Ask for help*: Often, we hesitate to ask for help as we worry that we'll impose on others. Yet, research shows that seeking assistance can strengthen bonds and make others feel good. This is called the "Benjamin Franklin Effect," named after how Franklin turned a rival into an ally by asking for a small favor.

  - Start by assuming that people *want* to help. Make requests in person where possible, as it's more effective than virtual requests. Use positive language (e.g. "I admire your work and would really love your opinion on this.") Don't apologize for the request or make it quid-pro-quo.

Overcommunicate. As a rule of thumb, go beyond what you think is the minimum level of communication.

- *Overcommunicate the positives* to deepen bonds and amplify collective energy. Capitalize on good news by:

  (i) Sharing them enthusiastically to uplift others; and

  (ii) Celebrating others' achievements: Show genuine delight, e.g. "I feel so happy for you!" Acknowledge their effort and express optimism for their future.

- *Overcommunicate the negatives*: Be transparent about set-backs or challenges to prevent misunderstandings and to build trust. It's better to be direct and constructive than to sugarcoat or lie.

  (i) Describe what happened in observable, non-judgmental terms, e.g. "We were a week late in project completion" (not "You were irresponsible for missing the deadline.")

KEY QUOTES

"When we work in synchrony with other people, we tend to be more productive. Synchronicity makes us want to help others. And it makes us want to help ourselves."

"By stopping what you're doing and offering help to people at random, you can boost your endorphin levels and help yourself work harder."

"When framed correctly, asking for help makes the person you're asking feel as good as the help makes you feel."

"Not only do we too rarely help others, we also too rarely ask for help."

"When you think you've communicated plenty, you almost certainly haven't."

"Overcommunication won't just inspire them. It will inspire you too."

"When you think you've communicated too much, you probably haven't communicated enough."

(ii) Focus on concrete outcomes, not blame, e.g. "The client lodged a complaint and almost cancelled the contract."

(iii) Provide constructive alternatives, e.g. "Next time..."

Part 2: Unblock

Procrastination stems not from a lack of motivation or discipline, but from Uncertainty, Fear, and Inertia. These feelings cause us to delay decisions or action, which makes us feel worse and procrastinate even more in a vicious cycle.

Seek Clarity (Overcome Uncertainty)

Often, we don't take action because we're unsure of what to do. We're afraid to make the wrong decision, so we keep delaying.

- *Gain clarity by asking: why, what, and when*. Knowing your purpose, goals, and tasks improves focus and motivation.

Ask "why" to clarify your core purpose.

- *Define your purpose* for a task/project. Ask "What's the purpose for this?" and craft a statement of purpose to guide your actions. For example, are you exercising to attain 6-pack abs, or to have a healthier and more balanced lifestyle?

- *Ask why 5x* to peel back layers of surface motivations and find your real purpose. For example, "Why am I doing this project?" Because it's work. → "Why do I work?" To earn money. → "Why do I earn money?" etc.

Ask 'What?" to shift from vague, outcome-based goals to specific, input-based goals.

- *Set NICE goals*. Set immediate, achievable goals that are:
  - Near-term (daily or weekly);
  - Input-based (things you can do immediately);
  - Controllable; and
  - Energizing.

KEY QUOTES

"To tell the chronic procrastinator to just do it would be like saying to a clinically depressed person, cheer up."
—Joseph Ferrari

"All too often, we approach procrastination by treating the symptoms rather than the underlying causes. And all too often, those causes relate to our mood: when we feel bad, we achieve less."

"Asking 'why' repeatedly reminds us of what we should really be focusing on–and allows us to home in on it."

"You might know what your ultimate 'why' is; but without a clear end-goal, you'll struggle to work out how to get there."

Unlike SMART goals which focus on outcomes (e.g. "Write a novel in 12 months"), NICE goals focus on the journey (e.g. "Write for 20 minutes daily").

- *Do a pre-mortem*: Envision what could go wrong with your project (e.g. missed deadlines, technical issues) and brain-storm solutions to address such issues upfront.

Ask "when" to clarify when to act and how to create positive habits.

- *Use implementation intentions* (or habit stacking) to pair a specific action with an existing routine, e.g. "After breakfast, I'll review my goals." This creates a mental association between the new task and a daily habit, making it easier to build new habits.

- *Use time blocking* to allocate specific time slots for specific tasks, so you take charge of your time and energy instead of reacting to external demands. Block your time at 3 levels, then adapt as you go along.

  (i) Commit time for *specific tasks* that you've been avoiding.

  (ii) Organize the bulk of your *day* into time blocks, e.g. assign time in the mornings for focused work and afternoons for administrative tasks.

  (iii) Plan out your entire *week* to ensure that you've set aside time for your key priorities such as work, family, exercise, personal growth, hobbies, and relaxation.

Build Courage (Overcome Fear)

Fear is triggered in the brain's amygdala when it perceives a threat. Such perceived threats—such as the fear of rejection or fear of failure—are seldom dangerous, but they make us so anxious that we can't think clearly or take productive action.

- *The key is to move forward despite fear*—to face it with courage rather than avoid it. You can do so by (i) identifying your fear, (ii) diminishing it, and (iii) rising above it.

Identify your fears: Once you understand the specific fears holding you back, it's possible to tackle them constructively.

KEY QUOTES

"Forget SMART goals. What you need are goals that feel NICE (near-term, input-based, controllable and energising)."

"If you don't know when you're doing something, chances are you won't do it."

"Structure gives you more freedom, not less...you're designing your life according to your priorities."

"Time blocking isn't about creating a rigid schedule that stresses you out; it's about providing structure and ensuring there's dedicated time for what matters most to you."

"It isn't lack of talent or inspiration that's holding you back. It's fear."

"Find courage. To look at our fear, acknowledge it, and move past it."

For example, Abdaal procrastinated for 7 years to start his Youtube channel—once he realized he was delaying due to a fear of failure, he managed to push through the fear.

- *Name your fears* to reduce their intensity and build the self-awareness needed to move past them. In a study on phobias, participants who labeled their fear felt calmer and better equipped to face the object of their phobia. By contrast, the more you avoid something, the scarier it seems.
    - Ask yourself: What am I afraid of? Where is this fear coming from? Is it based on fact or perception? Are you doubting your abilities or worrying about others' opinions? Understand the fear to move past it.

- *Shift your self-identity*: We hold ourselves back with labels like "I'm not a good presenter" or "I'm just not adventurous." To encourage new behaviors, change limiting labels (e.g. "I'm a perfectionist") to empowering ones (e.g. "I'm a learner").

Diminish your fears: Often, we amplify a fear by imagining worst-case scenarios that are unlikely to materialize. You can do the reverse—put the fear in perspective to reduce its intensity.

- *Use the 10/10/10 Rule*: Consider how much the feared outcome will matter in 10 minutes, 10 weeks, or 10 years. For example, you might realize that being rejected for a job doesn't really matter in the long term.

- *Start taking baby steps* to build confidence; don't wait to feel confident before you start. Ask yourself: Can I start even I'm not confident? Most of the time, it's ok to start with small, imperfect steps, then slowly improve over time.

Conquer your fears: It's impossible to eliminate all fears. However, we can rise above the fears and push forward *in spite* of them.

- *Reduce self-focus*: The "spotlight effect" happens when we overestimate how much others are focusing on us. The next time you fret over what others think about you, remember that people are too focused on themselves to notice if you made a bad joke or if you're wearing mismatched socks. Even if they notice, no one really cares.

- *Adopt an alter ego*: In a study, children who imagined themselves as superheroes became more focused,

KEY QUOTES

"The solution isn't to get rid of fear...it's to develop the courage to face up to it."

"Knowledge is power. Getting to know our fears is the first step towards overcoming them."

"Labels are...tools that help us make sense of who we are. If we can change our labels, we can often change our behaviour."

"The failures we're worried about now aren't the ones that will always define us. And that the fears we have now won't always carry such significance."

"Make a start. You won't need to get perfect for a long time yet."

"We can't eradicate all our fears. We need to overcome them. That means finding a way to move from fear to courage."

"The truth is, everyone is concerned mostly about themselves...They're not spending much time (if any) thinking about us."

self-controlled, and resilient. This is called the "*Batman Effect*". Leverage this effect by visualizing yourself as someone who's confident and fearless.

- Examples: When Adele was still an inexperienced singer, she overcame her fear of public appearances by creating an alter ego—a blend of Sasha Fierce and June Carter. Ali Abdaal puts on fake glasses and steps into the identity of Charles Xavier whenever he needs to speak publicly.

- What alter ego can you adopt to diminish your personal inhibitions and embody the traits you admire? Before a difficult task, visualize yourself becoming this alternate-you. Reinforce it with affirmations like "I am fearless" or "I am unstoppable."

Get Started (Overcome Inertia)

Inertia is another major cause of procrastination. Newton's First Law states that an object at rest stays at rest, and an object in motion stays in motion unless acted on by another force (e.g. friction).

- In other words, it takes a lot more energy to get started than to stay in motion. It's like riding a bike—it's hard to ride uphill, but once you reach the top the momentum carries you downhill effortlessly. You can *overcome inertia in 3 ways*: (i) minimize friction, (ii) get moving, and (iii) support yourself.

Minimize friction or the effort required to start a task:

- *Modify your surroundings* to make it easier get started on a task. Remove obstacles that add resistance, and make the desired action the default. For example, place your ukulele visibly in the living room to remind yourself to practice, or turn off phone notifications to reduce phone usage.

- *Use the Five-Minute Rule*: When you don't feel like doing something, overcome emotional resistance by committing to work on the task for just 5 minutes. At the end of 5 minutes, you can choose to stop or continue. Often you'll keep going, but even if you stop, you'd have done 5 minutes of work.

KEY QUOTES

"When we embody the traits of a fearless, confident alterego, we can tap into a reservoir of courage and determination that we might not feel our regular selves possess."

"As Newton recognised, it takes way more energy to get started than it does to keep going."

"When you're doing nothing, it's easy to carry on doing nothing. And when you're working, it's much easier to carry on working."

"Even when we know we really should do something, we often find ourselves in places that make it needlessly difficult to get started."

"The best antidote to doing nothing is simply to do something."

Get moving: Focus on concrete, immediate action steps to develop a bias to action. These are more likely to spur you into action compared to overthinking a long-term goal.

- *Define your next action step*: Identify the smallest next step, then act on it. For example, to get started on writing, the smallest action step could be to open a new document on your computer or take out your writing pad.

- *Track your progress daily* using a journal, app, or calendar. Surround yourself with visual reminders of how far you have come and what else you need to do. This motivates you to keep going with consistent effort.

Support yourself: Create personal and social support systems to make it easier to stay motivated and to persevere in the long run.

- Partner with an *accountability buddy* and schedule regular check-ins. This generates relational energy and motivation to follow through. Ideally, find someone who shares your goals, then agree in advance on the ground rules and processes (e.g. check-in times).

- *Practice self-compassion*: If you miss a commitment, don't dwell on it—this only makes you feel bad and procrastinate more. Instead, forgive yourself and focus on the small wins, e.g. "I didn't do X, but I managed to do Y."

Part 3: Sustain

Even if we energize ourselves and overcome procrastination, burnout can still set in when we take on too much, fail to rest/recover, or invest in goals that are misaligned with our true selves. To sustain productivity, we need to Conserve, Recharge, and Align.

Conserve

Overexertion burnout occurs when we try to do too much too quickly. Think of it like sprinting throughout a marathon, which is unsustainable.

KEY QUOTES

"We need clear, concrete steps to take, rather than distant, abstract goals. Otherwise we might do nothing at all."

"Tracking your progress provides you with tangible evidence that you're moving towards your goals."

"People boost our feel-good emotions and make us want to get started. Life is better with friends around."

"You can focus on the small losses. Or you can celebrate the small wins."

"Procrastination isn't something we can always control. Forgiving ourselves is something we can."

"Burnout isn't just a thing that happens to overworked people in stressful jobs. It can happen to anyone when work stops feeling meaningful, enjoyable or manageable."

- Similar to how a car needs fuel and maintenance, we need energy and focus to function effectively over time. *Conserve your energy* by (i) avoiding overcommitment, (ii) limiting distractions, and (iii) taking regular breaks.

Don't overcommit. Protect your mental and physical resources by setting boundaries around work and rest.

- *Create an energy budget*: Allocate energy to high-priority tasks, like how you'd allocate financial resources to investments. Get clear on your key goals and filter out unnecessary commitments.
  - Create 2 lists: (i) long-term goals and dreams, and (ii) active projects you're working on right now.
  - Decide on the total time to invest in active projects each week (ideally limit to <10 hours), then allocate the time to maximize returns.
- *Learn to say "No"* to requests that don't align with your priorities.
  (i) Use Derek Sivers' advice: Only say "yes" to things that you feel enthusiastic about ("hell yeah!"). Say "no" to everything else.
  (ii) Consider the opportunity costs: saying "yes" to one thing means saying "no" to something else.
  (iii) If a request happens only in a few weeks' time, ask yourself: "Would I be excited if this was happening tomorrow?" This stops you from accepting commitments just because your calendar is currently clear.

Limit distractions so they won't drain your energy and focus. Multitasking involves "switching costs", since we need mental energy to toggle between tasks. For optimum productivity, focus on one task at a time, but switch tasks periodically to avoid mental exhaustion.

- *Add friction*: Make distractions less accessible or enticing, such as keeping distracting apps in a sub-folder on your phone, or even locking your phone in a drawer. You're less likely to engage in a distraction if you must make a deliberate effort to reach it.

KEY QUOTES

"If you can make yourself feel better, you won't just achieve more–you'll last longer, too."

"Overcommitting is simply too easy. But that doesn't mean it can't be resisted."

"We tend to think we can do everything. It's a myth. Sustainable productivity means recognising the limitations on our time. Everybody has them."

"If it isn't a 'hell yeah', it's not worth doing. If it isn't a 'hell yeah', it's not worth doing."

"Do less, so that you can unlock more."

"I'm actually as proud of the things we haven't done as the things I have done."
—Steve Jobs

"The goal is to spend most of our time focused on just one task–but not beat ourselves up if we occasionally lose concentration."

"Give yourself permission to be distracted."

- *Do course correction*: If you get distracted, don't beat yourself up or think "Since I already got distracted, I might as well continue." Accept that it's normal to get distracted occasionally, and just return to your main task.

Take regular breaks throughout the day to recharge and maintain your energy/focus. Research found that the most productive workers took a 17-minute break after 52 minutes of job-related tasks.

- *Schedule short breaks* throughout the day (e.g. 5-10 minutes every hour) to stretch, take a walk, or just do nothing. You can also use techniques like the Pomodoro method to alternate between focused work and regular breaks.

- Not all distractions are bad. *Embrace positive distractions* that refresh and energize you, such as music or an uplifting conversation.

Recharge

To maintain optimal productivity and avoid depletion burnouts, we must replenish our mind, body and spirit through rest, relaxation, and revitalizing activities.

- You can *recharge through creative activities, Nature, or idle relaxation*.

Recharge creatively: Engage in CALM, restorative activities that meet 4 criteria: they (i) boost your competence, (ii) give you a sense of autonomy, (iii) offer liberty or freedom from work, and (iv) provide a mellow, relaxing experience.

- *Engage in calm hobbies* like painting or playing a musical instrument. These are creative, soothing activities that provide enjoyment without requiring productivity. You can improve your skills over time, but the main goal is to enjoy the activity. Don't try to perfect the hobby or make it into work.

- *Start calm projects* like DIY projects or working on a puzzle. These are creative projects with a clear end-goal. They require gentle focus and offers a sense of accomplishment, but without massive effort or pressure. You can involve other people to make the activities even more rejuvenating.

KEY QUOTES

"As long as we correct course, we'll still end up at our intended destination."

"Find moments in your working day to do nothing. And embrace them."

"Breaks aren't a special treat. They're an absolute necessity."

"Life isn't about maintaining focus all the time. It's about allowing space for little moments of serendipity and joy."

"Your mood is suffering because you haven't given yourself the deeper periods of time off that you need – not just little breaks throughout the day, but the longer breaks that recharge the energy of your mind, body, and spirit."

"Your primary goal is not to become an expert or a master. It's to enjoy and to recharge."

"If you want to properly recharge, you need to maintain areas of your life in which personal advancement doesn't feature at all."

Recharge naturally: Tap into Nature's restorative effects to rejuvenate yourself, reduce stress, and feel better.

- *Incorporate nature into your surroundings*, e.g. adding plants or nature-inspired artwork to your work area, or opening the windows to let in fresh air. Such natural elements help to improve focus and reduce stress. For instance, patients in a hospital room with tranquil paintings were found to be less anxious and needed less pain medication, compared to those exposed to dark photography, abstract art, or no images at all.

- *Go for a walk*. Enjoy the gentle physical activity and fresh air, be it a walk through a park or around your office. Ideally, take long walks without a time limit, but even a 10-minute walk could provide a useful mental break.

Recharge mindlessly: Let the mind drift without directed focus, and relax without trying too hard. Neuroscience research shows that when we "do nothing", it triggers the brain's default mode network—it starts to revisit past memories, daydreams, or imagines the future, often leading to creative solutions.

- *Let your mind wander freely*: Engage in activities that allow the mind to flow freely without specific goals or tasks. Examples include: doodling, staring out of the window, or doing routine chores without listening or watching anything concurrently.

- *Embrace the Reitoff Principle*: Give yourself permission to just to rest and do nothing at all. Forget about productivity, mindfulness, or engaging in restorative activities. Just write off the entire day or week to rest fully. If you feel guilty taking the break, then remind yourself you'll be more productive when you return from the break feeling fully rested.

Align

Misalignment burnout occurs when we invest time and effort in pursuits that don't match our sense of self, resulting in exhaustion without fulfillment.

- Motivation falls on a spectrum, ranging from external motivation (doing things due to external pressures) to intrinsic motivation (doing things aligned with our interests and

KEY QUOTES

"Nature replenishes our cognitive abilities and boosts our energy."

"If you're looking for a simple and easy way to immediately feel rejuvenated, just try taking a walk–no time limit, nodistance to reach, no place in particular to go."

"Doing nothing can be surprisingly productive."

"When the brain relaxes sufficiently, creative solutions do appear."

"Sometimes it's worth doing nothing at all. Not having deep shower thoughts. Not having a gentle walk. Nada."

"By doing less today, you can do more of what matters to you tomorrow."

"Overcoming misalignment is a lifelong task; one that requires us to continually work out what really matters to us, and change our behaviour accordingly."

values). The greater the intrinsic motivation, the more fulfilling and sustainable the activity.

- To sustain productivity, *align your goals and actions with your core values and purpose*—over the short-term, medium-term, and long-term.

Long-term alignment: Why do people redefine their priorities after life-threatening experiences like a serious accident or illness? Often, they shift their focus away from extrinsic goals (e.g. earning more money) to intrinsic goals (e.g. nurturing close relationships). You don't need a crisis to start focusing on what truly matters to you.

- *Write your eulogy*: At the end of your life, what would you want your eulogy to be like? What legacy, values, and achievements would you want to leave behind? Use this as a guide to shape your daily actions.

- *Map out 3 different life paths* for the next 5-10 years, to consider if you're truly on your desired path.

  (i) *Current path*: What would life be like in 5-10 years if you continued as you are now?

  (ii) *Alternative path*: What would life look like in 5-10 years if you took a totally different direction?

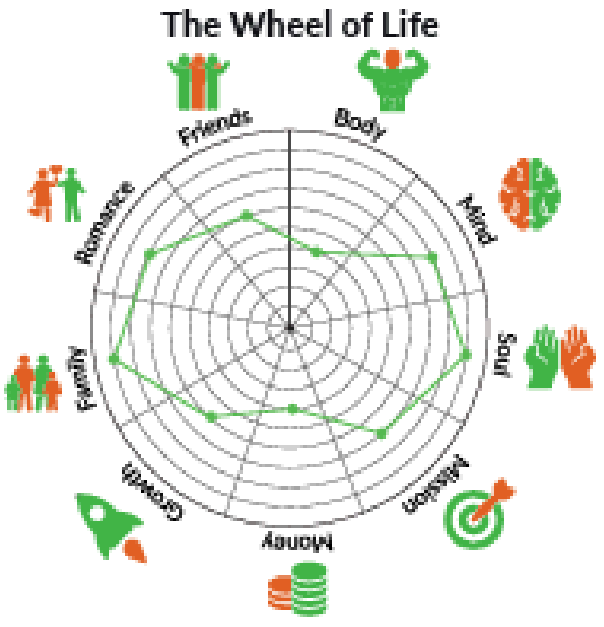
  (iii) *Radical path*: What would life look like in 5-10 years if you ignored financial and social expectations?

Medium-term alignment: Align your daily actions with your goals over the next 1 year.

- Use the *Wheel of Life chart* to assess various aspects of your life.

  (i) On a scale of 1-10, rate how aligned your actions are with your goals for each area of life, e.g. work, health, relationships.

  (ii) Create a plan to align the areas that are out of balance.



KEY QUOTES

"We can sustain our feel-good productivity by aligning our present-day actions with a deeper sense of self."

"When we think about death, we get a clearer view of life."

"What does the life you want people to remember in a few decades mean for the life you should build now?"

"By sketching out the paths ahead, you can work out which one you really want to take."

"Values affirmations make our most abstract ideals real. And they boost our confidence along the way. The only question is how to find these values–and how to use them."

- *Year-end celebration*: Imagine celebrating your progress at the end of 12 months.

  (i) For each area in your life, what progress or moments would you be the proudest of?

  (ii) What must you do now to make this celebration a reality?

Short-term alignment: Set up practices to align your day-to-day decisions and actions with your values.

- *Daily alignment quests*: Choose 3 areas of focus from the Wheel of Life, e.g. relationships, health, and work. Commit to 3 specific actions daily to support your core values. For example:
  - 10am: Send LinkedIn invites to potential mentors (W)
  - 3pm: Call Mom to reconnect (R)
  - 7pm: Swim for 30 minutes (H)
- *Alignment experiments*: Treat alignment as an ongoing journey. Keep testing ways to align your actions with your values.

  (i) Identify an area of dissatisfaction, e.g. personal relationships.

  (ii) Develop a hypothesis: What could you change to improve the situation (e.g. replacing social media time with a walk or chat with a loved one)?

  (iii) Make the change, assess the impact, and keep fine-tuning.

Other Details in the Book to Look out For

Feel-Good Productivity is not about doing more; it's about doing what matters in a way that's fulfilling and energizing. The key is to experiment with the strategies and practices above to find out what works best for you. The book includes many other personal anecdotes and empirical research references. For more details, please visit www.feelgoodproductivity.com.

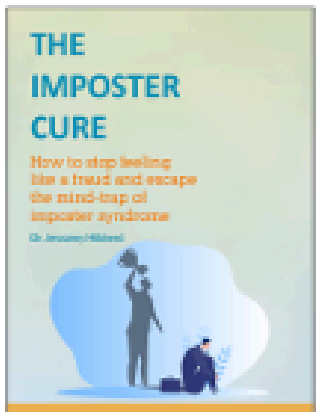
KEY QUOTES

"With the right tools, we can subtly shift ourselves back towards the things that matter the most."

"The journey to alignment is not one with a clear end-goal. It's a never-ending process."

"As we navigate the laboratory of our lives, we must be willing to embrace experimentation–and to learn as we go."

"Don't rote-learn your way to feel-good productivity. Experiment your way."



THE IMPOSTER CURE

How To Stop Feeling Like A Fraud And Escape
The Mind-trap Of The Imposter Syndrome

DR. JESSAMY HIBBERD

Introduction

The imposter syndrome occurs when people believe that they're not worthy of success and lack the skills, competence or intelligence expected of them. As a result, they feel undeserving of their achievements and are constantly afraid of being exposed as a fraud.

In this book, clinical psychologist Dr Jessamy Hibberd provides a step-by-step guide to help you understand and overcome the imposter syndrome, rebuild your confidence, health and well-being.

- There are *3 main steps* involved:

  (i) Consciously choose to change;

  (ii) Understand the theory behind the imposter syndrome; and

  (iii) Test out all the strategies to find out which ones work for you.

- In this summary, we've consolidated the insights into *2 parts*.

Part 1: Understanding the Imposter Syndrome

What's Imposter Syndrome?

Imposter syndrome comes from the underlying fear that you're not good enough. It can affect anyone from students to professors, executives and entrepreneurs.

- About 70% of people have experienced the imposter syndrome at some point, though it *affects different people in*

KEY QUOTES

"You are enough, right now, exactly as you are."

"You need to want to change, to really listen to the new evidence and you have to test it out."

"The more you know about imposter syndrome the better your chance of beating it."

different degrees. Some occasionally feel worried about their inadequacies, while others are constantly plagued by self-doubt, fear of failure, or fear of being "found out".

- It usually begins with a task or challenge where the *perceived expectations exceed your perceived abilities*. Someone with confidence may simply take action to bridge the perceived gap. However, someone who lacks self-belief may start to dwell on their inadequacies and how they might fail. They end up acting in ways that lead to their own failure, which further reinforces their poor self-esteem.

- This is worsened *in times of change or difficulty*, e.g. when you have a new job, bigger responsibilities, or feel out of place (e.g. a female in a male-dominated sector).

Not everyone defines competence the same way. According to Dr Valerie Young, there are 5 types of imposters. They differ in the yardsticks they use to measure competence.

The 5 Imposter Types

- *The Perfectionists* set impossibly-high standards and seek to achieve them 100% of the time. They beat themselves up even if they're just 1% off the mark. They also dictate how exactly they should achieve the goal and feel dissatisfied if things don't go exactly according to plan.

- *The Experts* are the knowledge version of the Perfectionist. They expect themselves to know everything, and feel like a failure if there's just a tiny gap in knowledge.

- *The Natural Geniuses* also set impossibly high standards, but they measure competence based on whether they reach the target on their first attempt. They believe that someone who's naturally talented should be able to do things quickly and effortlessly. They equate struggles with incompetence, and don't cope well with setbacks.

- *The Soloists* define competence as the ability to do things on their own without assistance. They take pride in the

KEY QUOTES

"Imposter syndrome normally occurs when there is a tension between two views—yours and what you believe others expect of you."

"When perfection is the aim, everything is always going to fall short, and success is seldom satisfying."

ability to do things independently, and see any form of help (e.g. coaching, advice, assistance) to mean they've failed.

- *The Superhumans* evaluate competence by the number of roles they can juggle and excel in. They expect themselves to perform perfectly in multiple roles (e.g. parent, friend, manager) and tend to overextend themselves.

Which of the 5 imposter types are you likely to be? How does it affect the way you do things, and what negative impact could it have on your life?

The Imposter Mind-Trap

The imposter syndrome involves a set of beliefs, feelings & behaviors that reinforce one another in a vicious cycle.

- Imposters believe that they are *not good enough*, and see their discomfort and anxiety as evidence of their incompetence.
- To prevent others from discovering that they're frauds, they resort to *overwork or avoidance*. Unfortunately, such coping strategies only lead to worse performance and/or burnout.

  (i) *Overwork*: Hard work is good, but not if you overdo it to expend more energy than needed and sacrifice other priorities, e.g. health and relationships.

  (ii) *Avoidance*: You won't realize what you can do if you don't speak up, put yourself forward, take risks, or seek help. Or, you may procrastinate until it's too late to do a good job.

- Even when they succeed, imposters ignore positive feedback or praises, *dismiss their achievements and magnify their mistakes*, thus reinforcing their negative self-beliefs.

KEY QUOTES

"If you are a Soloist…asking for help is a sign of weakness and you fear it might reveal your incompetence."

The Beliefs Behind Imposter Syndrome

Much of our beliefs are formed during childhood, through a mix of *nature* (personality) and *nurture* (family environment and upbringing).

- Your *personality* includes your level of extraversion, openness, conscientiousness, agreeableness, and neuroticism. It affects how you interact with the world around you. For example, some babies are more prone to anxiety and cry often. So, their parents may avoid exposing them to new places/ people, and strangers tend to stay away from them. Other babies are naturally calmer, so their parents may bring them to new places, and strangers are more likely to approach them. The babies' personalities affect their experiences, which then influence their views of the world.

- The *people close to us* (e.g. parents, teachers, friends, siblings) also shape our self-concept and how we think we should behave.

  (i) Children who receive mixed messages about success or are regularly shamed/rejected by their parents are more likely to develop low self-esteem and become more susceptible to the imposter syndrome.

  (ii) Family members often compare children or use labels like "the trouble-maker" or "the smart one". Both positive and negative labels can be damaging, since children may conclude that they're stupid, or feel pressured to win all the time because they're smart.

  (iii) Your definition of success and failure is also influenced by how your parents respond to their *own* successes/failures as well as how they respond to *your* successes/failures.

Our beliefs and views evolve as we mature, but our childhood imprints remain. Reflect on where your beliefs may have come from:

- What *messages* did you receive about your ability, intelligence, or importance? Which role models and events impacted you the most (and how)? How did those closest to you respond to your successes and challenges?

KEY QUOTES

"Children tune in to the subtle and not-so-subtle messages they are given, which influence how they think about themselves and the world around them."

"Looking back at your history is not about blaming anyone, it's about understanding yourself better."

- Are those beliefs still *valid* (correct and updated)?

Our beliefs help us to filter, classify and assimilate information, thus providing a framework to make sense of the world. However, this also leads to a confirmation bias:

- Beliefs/biases are *hard to change* because we seek out information that support our beliefs and ignore those that don't.

  (i) We pay more attention to ideas that fit with our beliefs; and

  (ii) We may distort new information to fit what we "know."

- We also tend to *feel strongly about our beliefs*. The stronger the emotions associated with a belief, the harder it is to change it.

The imposter syndrome tends to be self-fulfilling:

- If you believe you're an imposter, you'll focus on your shortfalls/inadequacies and dismiss your achievements. Your fear and anxiety impair clear thinking and increase the chances of errors, which further reinforce your sense of inadequacy in a *vicious cycle*. In the long run, it could even lead to depression and anxiety disorders.

- *For example*, a successful businessman felt like such a fraud that he was constantly worried he'd fail his loved ones and get "found out". He even feared that someone may show up at his home to tell him the house wasn't his! He became so anxious that he started to flounder at work, drink excessively, and distance himself from those who cared about him.

Part 2: Freeing Yourself From the Imposter Syndrome

The key to change is to realize that you're not an imposter. You're merely *worried* that you're an imposter, which leads to ineffective copings strategies that sabotage your results and well-being.

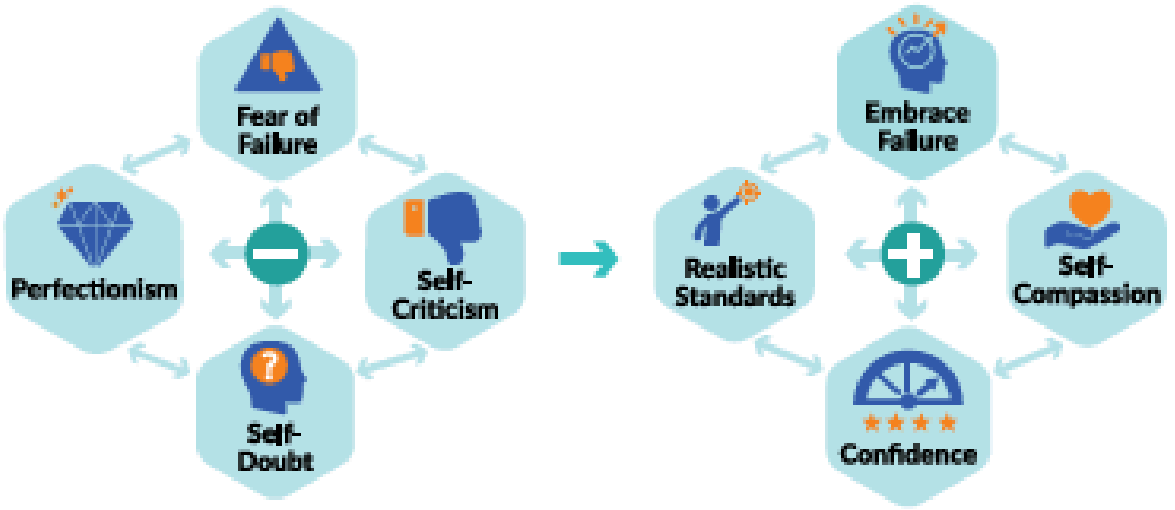
- In this section, we'll address each of the *underlying elements*—including secrecy, fear of failure, self-criticism, self-doubt,

KEY QUOTES

"Fear can drive us to do things without really thinking them through."

"Just because you worry you are an imposter, it doesn't mean you are one. Your feelings are not facts."

perfectionism, discounting positives and magnifying negatives—and explain how you can break the vicious cycle, adopt helpful strategies and build your confidence.



Replacing Old Beliefs

Before you can change your beliefs, you must want to change. Realize that you can strive for excellence and be humble *without* constantly putting yourself down.

Your beliefs are like a well-trodden path. Each supporting thought or action reinforces it until you automatically head down the path whenever you experience a trigger. To change a belief, you must build a new path gradually until it becomes the new default.

- Look for evidence to gradually chip away at old, unhelpful beliefs and *see yourself in new light*. Practice the strategies below to accelerate the process, like using a lawnmower to clear the new path. The process will get progressively easier with practice.

Externalize the imposter voice, or the voice in your head saying "You're a fraud" or "Wait till they notice your screw-ups". Imagine the voice to be that of a bully or someone you won't take seriously.

Realize that thoughts and feelings are not facts.

- Emotions help us to understand our inner world and give meaning to life, e.g. love helps us to feel close to others, and fear alerts us to potential danger. However, being afraid doesn't mean you're in real danger, and feeling insecure doesn't mean you're inadequate. So, *don't judge your abilities using emotions alone*.

KEY QUOTES

"Overwork, avoidance, self-criticism and self-doubt are a toxic combination, leading to feelings of shame and inadequacy."

"Changing your belief about yourself means finding a new path."

"You need to listen to your feelings, but do not treat them as more important than all other information."

- Question if there's *real evidence* to support (or even contradict) the negative voice. How would you react if you heard your friend saying the same things?

Speak with others to realize you're not alone. Many others also feel insecure even if they *appear* confident. Share your experiences and mistakes to help one another to move forward.

There will always be things in life beyond your control. Instead of trying to control everything, learn to embrace uncertainty and see life as an adventure. When you veer off-course, treat it as a chance for exploration. Learn to find solutions to unexpected problems, so you can overcome any challenge and even create better outcomes from setbacks.

Shift from Fear of Failure → Embracing Failure

Imposters tend to be fearful and unforgiving of their failures. They amplify mistakes and see them as a confirmation that they're frauds. This leads to self-doubt and ineffective coping strategies which paradoxically increase their chances of failure.

In reality, everyone makes mistakes and no one knows everything. Accept failures and mistakes as a part of life, growth and success. Instead of avoiding mistakes, use them to learn and build resilience.

- See yourself as a work-in-progress. *Give yourself the permission to fail*, but learn from every mistake to become better and stronger.

- Don't amplify your anxiety by *generalizing, magnifying or personalizing mistakes*. Specifically:

  (i) Don't assume you failed because you're stupid or inadequate. Think "I didn't succeed this time", not "I'll never get it right".

  (ii) Don't project your own fears to assume that's what others think about you.

  (iii) Realize that 1 mistake doesn't mean the end of the world.

  (iv) Don't focus on the 5% that went wrong and ignore the 95% that went well.

KEY QUOTES

"No matter how hard you try, there's no route through life that is pain-free."

"It's a paradox—our successes are achieved through trying, yet trying often ends in failure."

"Overcoming imposter syndrome doesn't mean you'll stop making mistakes; it means accepting that they're part of life and that you need to learn how to use them to your advantage."

"The path to success is not linear and without failure we can't progress."

(v) Don't blame yourself for every bad thing that happens, or for not having foreseen how things would go.

- After every major task or project, *reflect* on what happened, what you felt, did and learned.
- *Criticism ≠ failure*. Don't treat negative feedback as a sign of personal failure; keep the useful feedback and drop the rest.
- There're always *multiple solutions* to a problem. Don't get fixated on 1 "right" choice or approach.

Shift from Self-Criticism → Self-Compassion

You do *not* need self-criticism to prevent complacency. Chronic self-criticism demoralizes and demotivates you to worsen your results. It's like having a coach who constantly yells at you, reminds you of your failures and tells you that you're useless.

The antidote to self-criticism is self-compassion, i.e. treating yourself kindly and non-judgmentally. It's like having a coach who highlights your strengths, celebrates how you've improved, and points out how you can do even better.

- Self-compassion makes it easier to accept yourself, bounce back from setbacks, and take constructive action. According to Kristin Neff, there are *3 parts to self-compassion*:

  (i) Recognize that you're struggling or stressed without judging or overreacting;

  (ii) Be understanding and supportive to yourself when you're having a hard time; and

  (iii) Remember that everyone struggles and makes mistakes.

- To *become more compassionate to yourself*:

  (i) Notice your self-criticisms and dial them down, or externalize the voice so you can challenge the statements.

  (ii) Use an empathetic voice. Think of someone compassionate and imagine how they speak. Then, use that voice to tell the critical voice, "That was hard, but I did my best and I'll improve with practice."

KEY QUOTES

"Self-criticism preys on what's most important to you and makes everything seem worse than it is."

"Think of compassion as the mortar that holds everything together, so you can confidently rebuild the bricks of who you are and how you operate."

"Compassion [is] an essential ingredient for life. Compassion will teach you to support and motivate yourself with kindness rather than criticism."

(iii) Be kind to yourself, e.g. have a cup of your favorite tea or listen to some calming music.

Shift from Perfectionism → Realistic Standards

Imposters constantly feel like they don't know enough or aren't good/smart enough. By aiming for perfection and unachievable goals, they set themselves up to fail.

- Perfectionists think they'll only be happy when they reach perfection. They feel dissatisfied no matter how good their results are, and feel ashamed each time they miss the mark or allow themselves to relax. They keep pushing harder until they *burn out or collapse*, or use the pursuit of perfectionism to hide their insecurities.

- Research shows that perfectionists are more likely to suffer from anxiety, depression, chronic fatigue, insomnia, and a range of *stress-related disorders*.

Go for healthy conscientiousness, not unhealthy perfectionism. You can still strive for excellence without (i) using it to define your self-worth, (ii) sacrificing all other priorities, or (iii) beating yourself up for not being perfect.

- Letting go of perfectionism doesn't mean becoming sloppy. It's about setting *realistic standards* that you can achieve while addressing other priorities (e.g. health and happiness).

- Excel in a *few important things* rather than try to be 100% in everything all the time.

- We must all *learn continually* throughout our lives, especially in new roles or situations.

  (i) Give yourself 3-6 months to settle fully into a *new role*. If there's something you don't know, it's ok to say "I don't know, let me check and get back to you." Learn to do research, seek help or advice, ask questions and attend training/courses.

  (ii) Even if you're *skilled or experienced* in a role, you're still not expected to know everything. It's more critical to know how to find new ideas/solutions by applying your

KEY QUOTES

"Aiming for perfection shows an imperfect mindset."

"Perfectionism is not just unrealistic, it' also costly."

"Not aiming for perfection doesn't mean you don't care, or that you're not bothered about success."

knowledge, getting more information or leveraging on your network.

(iii) If you're *struggling with your work*, have the courage to ask for help: seek clarity or information about the tasks, ask your boss to help you prioritize your work, or request for more time, resources or training.

Shift from Self-Doubt → Confidence

It's normal to feel insecure at times. However, imposters equate insecurity with inadequacy. Their extreme self-doubt leads them to question and overanalyze everything.

- Confidence and insecurity are actually linked. You can't be truly confident about something until you've *confronted your doubts and fears*. Instead of hiding your self-doubt, use it as a driving force for improvement.

- When you're *confident of yourself*, it's easier to try new things, reach for bigger goals, manage stress and overcome challenges.

- *Internalize your achievements and strengths*:

  (i) List down *every* achievement you've made in your life, without questioning how/why you achieved it. Include your qualifications, promotions, pay raises, praises from others, leadership roles, challenges you've overcome, and any other successes in your personal life (e.g. hobbies, family). Realize that you can't have achieved all these based on luck alone.

  (ii) Pay attention to your unique combination of strengths, skills and qualities. Think of the words that others use to describe you positively (e.g. honest, reliable, friendly). Ask ≥3 friends/family members to share your list of good qualities. Consolidate these lists to identify your *top 5 strengths/skills*.

  (iii) Try *matching* your strengths, capabilities and experience with the tasks at hand. Your intuition will improve with time.

- *Embrace all of yourself*, not just the "good" parts. Each time you feel upset, reflect on what's happening and release the

KEY QUOTES

"Doing well means knowing how to get the job done, but it also means knowing your own limits."

"Sometimes our imperfections are the elements that give us our strengths."

"Being comfortable with yourself and confident in your abilities is the ultimate protection against imposter syndrome."

emotional burdens. When things go well, consider what/how it happened.

- Take 5-10 minutes daily to *reflect on the good things*, i.e. things that went well or made you feel good. Don't be afraid to talk about what you're proud of or what's going well for you. Celebrate every accomplishment.

- *Step out of your comfort zone* and do something you've been avoiding, e.g. try new things, visit new places, or tackle a challenge you've been putting off. Each time you do so, you're expanding your boundaries to explore and discover your true potential.

Managing your Moods and Feelings

Learn to manage fear and anxiety, which are at the heart of the imposter syndrome:

- *Let the feelings pass naturally* instead of fighting them.

- Recall how you overcame a *similar concern in the past* and remind yourself that you can handle it. Indeed, a study found that 85% of participants' worries never happened. Of the remaining 15% that occurred, 79% of the participants were able to handle them better than expected or learned something worthwhile.

- Use *relaxation techniques* (e.g. yoga, deep breathing) to calm yourself.

- Think of *uncertainty* as simply something you've yet to learn.

- When you're preparing for something important, use *visualization* to imagine yourself completing the task perfectly. Visualize the process so vividly that you can see, hear and feel every step in detail. Repeat the mental rehearsals to make it easier for your mind and body to recreate what you've visualized.

Manage low moods that may fuel your fears and self-doubts.

- Other people are too focused on their own lives to scrutinize everything you say or do. *Stop worrying about what others*

KEY QUOTES

"Self-awareness allows you to be aware of insecurity, rather than being insecure."

"Feelings are a bit like clouds; they're not permanent but around for a while before moving on."

"Uncertainty isn't something bad, just something you don't know the answer to yet."

think or trying to please them. Instead, start to speak up and share what you truly think.

- *Avoid the comparison trap*. We tend to compare the best of we see in others with the worst of what we see in ourselves. Remember: what you see on social media is also not truly representative of others' lives. Only connect with people who inspire and uplift you.

- *Make time for other priorities*. Periodically disconnect from your digital devices. Practice mindfulness by applying all 5 senses to your situation—what do you see, hear, touch, smell and taste? Once you notice yourself being dragged down by your worries, break the cycle by switching your focus to something else, then revisit the issue with a more constructive frame of mind.

Stop dismissing your achievements. Acknowledge the role of external factors (e.g. luck, team effort, contacts) without discounting the role of internal factors (e.g. skills, focus, perseverance, passion) or your own contributions.

- "*I was just lucky*." Luck plays a role in every success, but you must also put yourself in a position to attract opportunities and take the right actions to bring them to fruition.

- "*It was just fluke*." You must have had several successes in life, and they can't all be flukes or one-time/accidental occurrences.

- "*I just worked hard*." Hard work is a key ingredient for success, but it must be accompanied by curiosity, a willingness to learn, and the ability to bounce back from set backs. In any case, hard work isn't easy since it requires persistence/focus, so give yourself some credit for your effort.

- "*I was in the right place at the right time*." Timing is important for success, but you also need the skills to recognize the right timing and seize the advantage.

- "*People just liked me*". You may have a promotion, a bigger role, or an award because you're likeable, but you must also have demonstrated the necessary skills and competencies for the role. In short, likeability is a valuable skill not to be dismissed.

KEY QUOTES

"It's what you turn luck into that differentiates who is successful and who is not."

"Hard work is the core component of success, not a reason to discount it!"

- "*It was a team effort*." It's good to give credit where it's due, but don't dismiss your own contributions, nor your ability to lead, integrate or work with a team.

- "*I knew the right people*." Leveraging your network/contacts to get something done doesn't make it less valuable. After all, you need skills and effort to develop a strong network and earn the trust/goodwill of your contacts before they'll help or support you.

Beat Overwork and Avoidance to Reclaim Your Life

Reassess how you allocate your time and energy. List down *everything* you do in a typical day, including meals, commuting, meetings, replying to emails, and tasks in your personal life. Next to each item, estimate how much time you need. Ask yourself if you can truly fit it all in. If not, what your priorities and boundaries? Focus on just couple of items that are truly important to you, then delegate or let go of the rest.

Stop overwork and avoidance.

- Recognize the signs of *overwork*: regularly working late nights and weekends, repeatedly going over details, or pushing back deadlines because the work isn't "good enough".

  (i) Realize that hard work is a requirement for succeed, not a sign of your incompetence.

  (ii) Fast-forward to the end of your life and imagine what your biggest regrets might be. Start making time for them *now*.

  (iii) Finish each task at 80% (instead of 100% perfection) and see if anyone notices the difference. Think of it as improving your efficiency, not reducing your quality.

- Be aware of your *avoidant strategies* and why you're using them.

  (i) If you confront a challenge, you at least have a chance of success; if you avoid it, you'd definitely fail. See feedback as a chance to learn and improve, not something to avoid.

KEY QUOTES

"Success is not the result of one lucky strike. Lots of effort means there's space for good timing and everything to fall into place."

"Your capacity is not infinite, so choose wisely."

"It is possible to have time to enjoy your life and still be ambitious."

(ii) If a task/challenge seems too overwhelming, just focus on the first step and how it will help you move toward your goal. Work for 45 minutes, then give yourself a tiny reward or switch to a minor task (e.g. checking emails for 15min).

Start living each day fully. Goals give you a direction in life, yet life is paradoxically not about chasing goals.

- Instead of doggedly pursuing your goal, slow down slightly to appreciate what you already have. People who *practice gratitude* tend to be happier, healthier and more fulfilled.
- Schedule time to *rejuvenate yourself*. Set aside (i) "empty time" to daydream, rest and recover, and (ii) time for things that you enjoy and energize you (e.g. singing your favorite songs, or taking a nature walk).
- Reflect on these questions: *What does success mean to me?* What do I want from my life? What is it all for? Write down your answers and figure out your personal recipe for success.

Other Details in the Book to Look out For

This book is structured like a self-help guide where Dr. Hibberd walks you through the process of re-evaluating your beliefs and exploring a new way to work and live. She includes numerous real-world examples to explain the imposter syndrome and bring the concepts/strategies to life. For more details please visit drjessamy.com.

About the Author

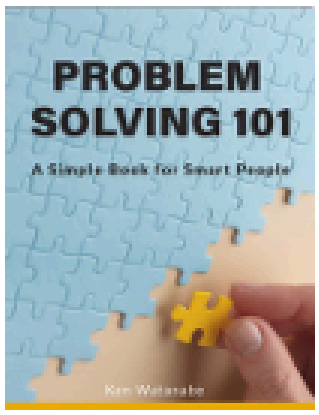
Dr. Jessamy Hibberd is a London-based chartered clinical psychologist, author and speaker. She has over 15 years in clinical practice and runs an online clinic offering 1- to-1 therapy. She contributes regularly to various media and publications, and has authored and co-authored several bestselling books. She received her Doctorate in Clinical Psychology at Royal Holloway, University of London, and completed her accreditation in CBT at Kings College's Institute of Psychology.

KEY QUOTES

"Think of life as an adventure, something to experience rather than a mountain to conquer."

"When you become obsessed by that final goal...it can blind you to the adventure of life and its real purpose: living."

"Together we've planted the seeds of change; it's now up to you to look after them, to water and nurture them, so they continue to flower year after year."



PROBLEM SOLVING 101

A Simple Book for Smart People

Ken Watanabe

The Big "So What"

Everyone faces problems, be it students, working professionals, or a country's prime minister. In this book, Watanabe presents a simple but powerful approach that can be used by anyone to solve any problem, big or small.

Introduction

Prior to writing this book, Watanabe worked as a consultant with McKinsey & Company, helping companies worldwide to solve complex problems. This book captures the problem-solving tools and approach that he used.

- He originally wrote *Problem Solving 101* **as a guide to critical-thinking** for Japanese schoolchildren. The book was so **effective that it quickly became an international bestseller for** readers of all ages.

This method and approach in this book can guide and expand your thinking, to help you **find solutions to any problem, dream** or goal—be it to learn a new skill, develop your dream career, or solve a global crisis.

- **In this summary, we'll be presenting the key ideas in** *2 parts*:

  (i) **Mindset and approach for effective problem-solving; and**

  (ii) The 4 steps and toolkit for solving any problems. We'll also explore 2 detailed examples to illustrate how to apply the problem-solving tools and techniques.

KEY QUOTES

"There's a fundamental approach to solving these real-life problems, one that can consistently lead you to ***effective and satisfying solutions."***

"Being a problem solver isn't just an ability; it's a whole mind-set, one that drives people to bring out the best in themselves and to shape ***the world in a positive way."***

Part 1: Becoming a Problem-Solving Kid

The Problem-Solving Mindset

Problem-solving isn't an inborn talent; it's a set of skills, attitudes, and processes that can be learned.

Watanabe uses 5 types of problem-solvers to illustrate the ingredients behind great problem-solving:

- *Defeatists* give up easily and feel victimized by circumstances. They choose to avoid problems, and give up when confronted by the slightest difficulties. They say things like "I can never do that," and blame others for not understanding or supporting them.

- *Critics* are always shooting down others' plans, without lifting a finger to solve the problem themselves. They stay on the sidelines, complaining, criticizing, and saying things like "That's a stupid idea" or "I told you so."

- *Daydreamers* are always dreaming up new ideas. But, they keep their heads in the clouds, refusing to explore tangible plans or take concrete action. They can be heard saying things like: "If only this could happen" or "Don't bother me with details!"

- *Dynamos* jump into action without planning ahead. They're enthusiastic, optimistic, and perseverant. But, they don't stop to think things through, or to understand a problem before charging ahead. As a result, they waste time and energy doing things that are often ineffective. When they fail to get results, they simply push harder, saying things like, "I can't stop now...I must keep going!"

- "*Problem-solving kids*" combine thinking and acting to solve problems effectively.

  (i) They examine a problem to identify its root cause, develop a plan, take action, learn from both success and failures, and keep adjusting their plans as new challenges appear.

KEY QUOTES

"Problem solving isn't a talent that some people have and others don't. It's a habit. By developing the right skills and adopting the right attitude, anyone can become a problem-solving kid."

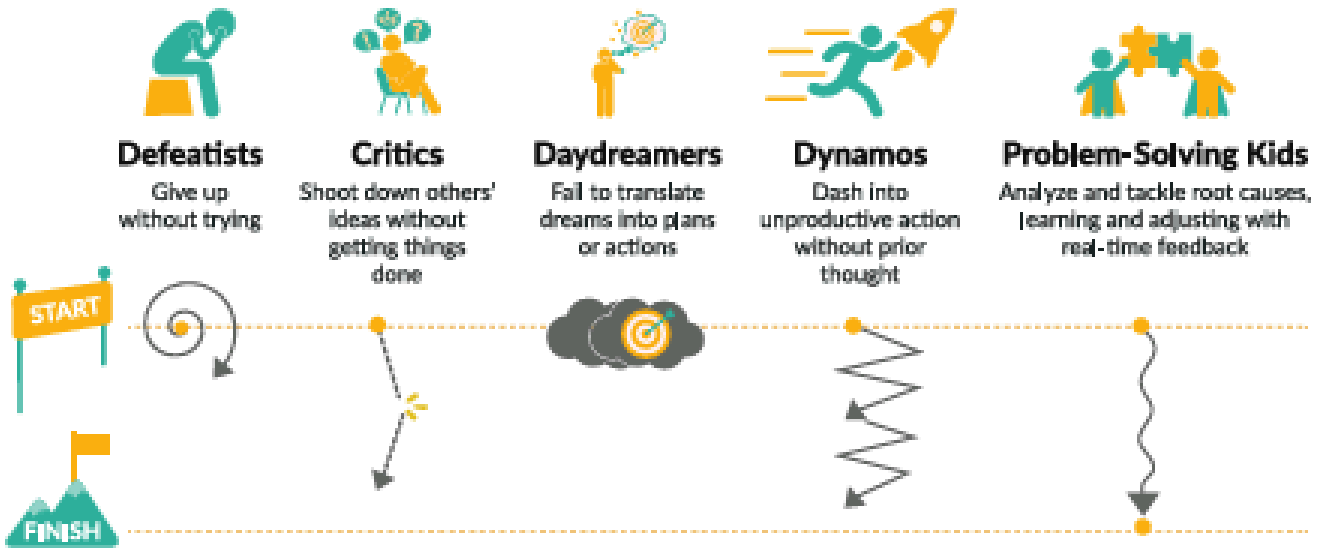
"Being a critic is easy; getting stuff done is the real challenge."

"Stopping to think can be just as important as taking action."

"Problem-solving kids have a real flair for setting goals and getting things accomplished. They take overcoming challenges in stride."

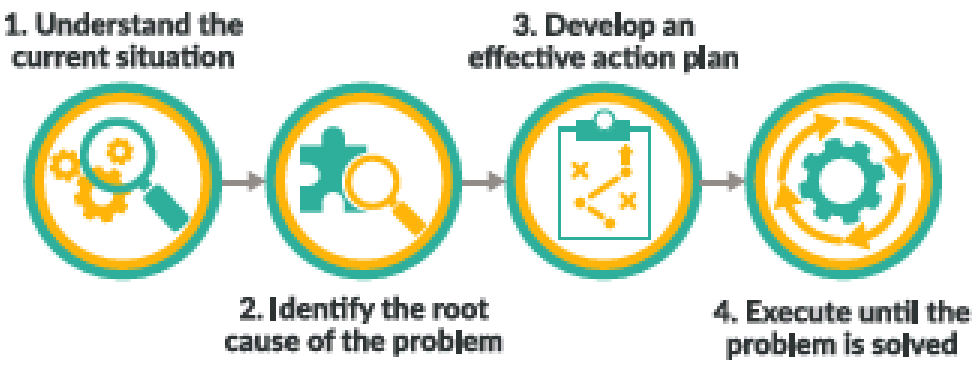
(ii) They break down ambitious goals and dreams into smaller, bite-sized milestones. They say things like, "What's the root cause of this problem?" or "Let's fix X, Y, and Z in 3 months."

(iii) As a result, they achieve their goals more quickly, and also learn and evolve much faster than the other 4 types of problem-solvers.



The 4 Steps of Problem-Solving

When you see a doctor, they'd analyze your symptoms (e.g. fever, aches) to diagnose the root cause (e.g. flu), to prescribe the cure (flu medicine). Likewise, to solve any problem, you must first diagnose the root cause. Problem solving can be broken down into 4 steps:



- Understand the *current situation* or issue.
- Identify the *root cause* of the problem.
- Develop an effective *action plan*.
- *Execute* until the problem is solved, making adjustments as needed along the way.

KEY QUOTES

"Understand the situation, identify the root cause, develop an effective plan, and execute."

You need all 4 steps to solve a problem effectively. Once you've learned how to break a problem down into small, manageable chunks that you can solve, you can stay calm in face of any challenge—no matter how big or scary.

Simple example: Let's imagine that you're trying to improve your physical fitness, but not getting the results you want. An average person might just assume that he/she must train harder. However, if you were a problem-solving kid, you'd approach it differently.

- *Identify the problem*: "I'm not seeing the improvement in physical fitness I want."
- *Break down the problem* into sub-parts. In this case, you might realize that you're falling short in 3 specific areas: cardiovascular endurance, muscle strength, and flexibility.
- From there, you'd analyze each area, then narrow down to *potential root causes*. For example:

  (i) Cardio: Lack of intensity or variation;

  (ii) Muscle strength: Incorrect weight or incomplete muscle group engagement; and

  (iii) Flexibility: Consistently overlooking stretching.

- This level of specificity helps you to develop a *targeted plan* for each of the 3 areas of fitness, to deliver much better results than simply trying to "be more disciplined" or to "train more".

Part 2: Using the Problem-Solving Steps and Tools

Let's break down the 4 problem-solving steps into sub-parts, along with the tools you can use in each phase. Then, we'll illustrate them with 2 detailed examples.

Breakdown of the Problems-Solving Steps with Suggested Tools

Step 1: Understand the situation so you can define the problem clearly and specifically.

KEY QUOTES

"The value of problem-solving oriented thinking obviously extends far beyond the classroom into every facet of our lives. It enables us to take control of the challenges we encounter and to change the world in a positive way."

Step 2: Identify the root cause of the problem. List down all potential root causes, and develop a hypothesis for the most likely root cause.

- *List down all possible root causes*, using a Logic Tree or a Yes/No Tree to systematically brainstorm possible causes.
- Develop a hypothesis for the *most-likely root cause*.
- Define the *data/analyses* needed to test the hypothesis. You can use a Hypothesis Pyramid to structure your assumptions and what you must do to validate them.
- *Test the hypothesis* to identify the root cause.

Key tools: Logic Tree, Yes/No Tree, Hypothesis Pyramid.

Step 3: Develop an effective action plan.

- Generate a *wide range of solutions* to the problem using the Logic Tree.
- Evaluate these options using the (i) Pros and Cons Grid and/or (ii) Criteria-Evaluation Table, and *prioritize the best actions* using the Prioritization Matrix.
- Organize these into an *effective action plan*.

Key tools: Logic Tree, Pros and Cons Grid, Criteria and Evaluation Table.

Step 4: Execute until the problem is solved, making adjustments as required. Monitor your progress and adjust the plan based on real-time feedback, learning from both successes and failures.

Your Problem-Solving Toolkit: Key Tools Explained

A logic tree helps you to (i) visualize the potential root causes of a problem, (ii) generate possible solutions systematically, and (iii) organize them into categories.

- State the *main problem* on the left.
- Then, branch out into possible solutions, ensuring *no overlap and no omissions between categories*. In other words:

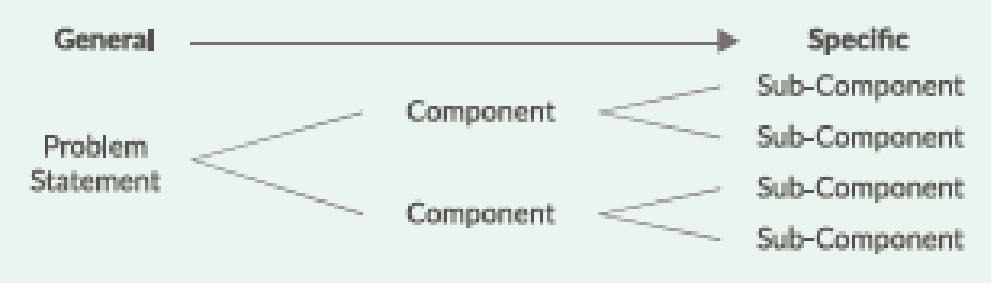
KEY QUOTES

"The better you get at understanding the symptoms and identifying the root causes, the better you will get at developing effective solutions."

"Even if the problem you face is big and complicated, if you learn how to break it down into smaller, manageable problems, you will be able to solve it."

(i) Make sure that each item in a category is mutually-exclusive (i.e. the items don't overlap); and

(ii) The logic tree is comprehensive enough to cover all possible categories/aspects of a problem (i.e. nothing is left out).



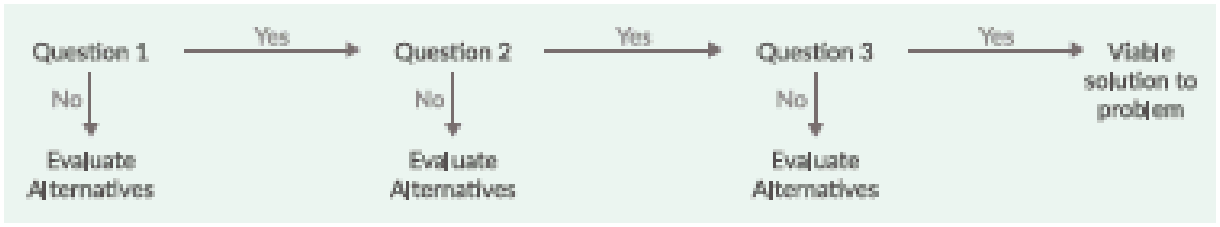
- *Expand the solutions* in each brach or subcategory by asking: What? How? Where? When? Who?
- Try *drawing or visualizing* the logic tree to shift your perspective and deepen your understanding of the problem.
- *Expand the tree horizontal and vertically*:

  (i) Expand vertically by asking if there are other ways of solving the problem.

  (ii) Expand horizontally by asking if there are other aspects to the category.

- Keep *adapting and adjusting* your logic tree, organizing them from general (left) to specific (right), and grouping similar topics together.

A yes/no tree helps to ensure you've explored all potential solutions, and also guides decision-making. Keep asking yes/no questions until you find a viable solution.

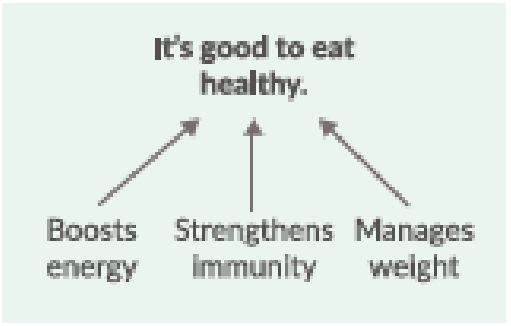


The clearer and more specific your hypotheses, the better you can test them to find an ideal solution. Here are several tools to help you structure your argument, and specify your rationale and conclusions, before you start to collect and analyze data. They also make it easier for you to communicate your hypothesis. You can:

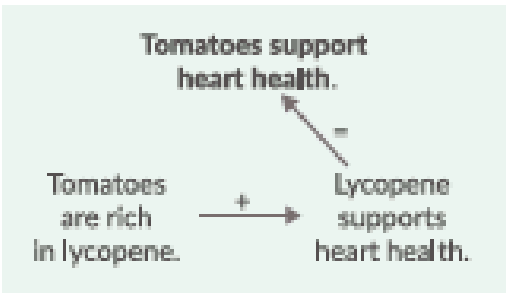
KEY QUOTES

"You have to keep asking the "why" and the "how" to develop a custom-made action plan."

- Use a *hypothesis pyramid* by placing your hypothesis or conclusion at the top, with the supporting reasons below (why, what, where, how, who).



- Use a logic model (or an *argument structure*) to list down the statements that need to be true in order for the hypothesis or conclusion to be true.



- Create a *problem-solving design plan* to detail the problem to be solved, the hypothesis and rationale, and a list of actions and information needed to test the hypothesis. This is a dynamic document that evolves with each step of the problem-solving process.

Here are 2 additional tools to help you organize your information and thoughts. Remember: you can always brainstorm options to address specific challenges or shortcomings for each option.

- A *pros and cons grid* helps you to consider both the pros (positive aspects) and cons (negative aspects) of each option.

  (i) List all the options.

  (ii) List the pros and cons for each option.

  (iii) Weigh each of the options.

  (iv) Select the best option.

Options	Pros	Cons
Option 1	+ Factor 1 + Factor 2	- Factor 1
Option 2	+ Factor 1	- Factor 1 - Factor 2 - Factor 3

- A *criteria-evaluation table* helps you to consider each option against your criteria and their relative importance.

  (i) List all the options.

  (ii) List the evaluation criteria. Weigh each of the options.

Criteria	Importance of Criteria	Option 1	Option 2
Criteria 1	High	*****	***
Criteria 2	Med	*	*****

  (iii) Define the weightage for each criteria (e.g. Low/Medium/High).

  (iv) Evaluate each option based on the criteria (e.g. 1-5*).

  (v) Choose the best option.

KEY QUOTES

"Challenge your own thinking processes and your conclusions."

Example 1: Increasing Customers to a Pop-Up Food Stand

An enterprising student, Mimi, had a pop-up hot-dog stand in school and wanted to increase her number of customers.

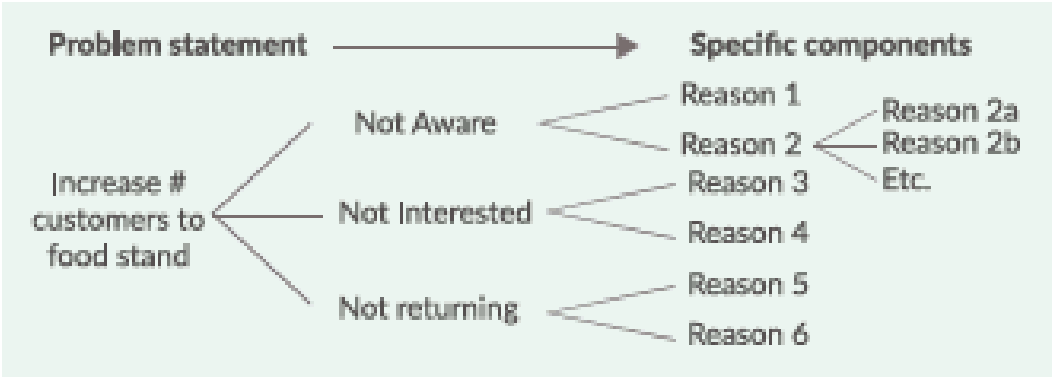
She started with Steps 1 and 2: Defining the problem and the possible root cause(s).

- Using a *Logic Tree*, she brainstormed potential causes for the low sales.

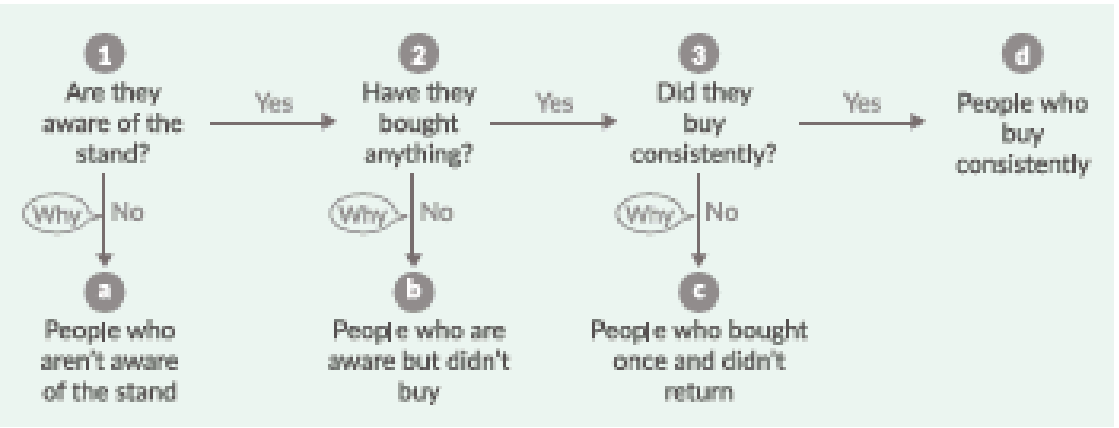
  (i) Lack of awareness (people didn't know about the food stand).

  (ii) Lack of interest (they were aware, but didn't buy).

  (iii) They tried the food but didn't return.



- To ensure she has covered all scenarios, she also used a *Yes/No Tree* to explore the problem:



- Using the tools above, she brainstormed the possible reasons for the low sales at her food-stand, then made a best-guess of the *most likely root cause*. She hypothesized that the root cause was a lack of awareness. Specifically, she estimated that (i) only 10% of the students knew about the stand, of which (ii) 50% would buy and (iii) 80% would return.

KEY QUOTES

"Don't forget that the point of all this research is to help you make informed decisions."

Next, she defined the information needed to test her hypotheses, including the most efficient and effective way to collect the data.

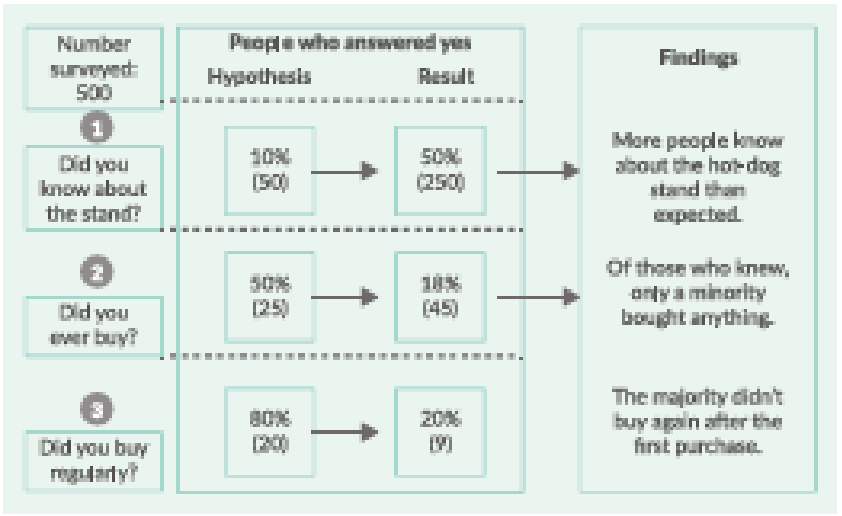
- She captured these in a *problem-solving design plan*:

Issue	Hypothesis	Rationale	Analysis/ Activities	Information Source
How many people are in each category?	Most people don't know about the stand	I haven't told many people about it.	Ask teachers to do a quick survey in class	Survey
Why are people who're aware not buying?	They don't like hot dogs	There's no other hot-dog stall in school.	Talk to 5 people who know but didn't buy	Interview
Will people want to keep buying?	Once they've tried, most will keep buying	Who doesn't like hot dogs? And my hot dogs are good!	Talk to 5 people who bought: will they buy again and why?	Interview

(i) For example, to find out the size of the 3 categories above, she asked her teachers for help, instead of doing individual surveys (which would be time-consuming). The teachers only had to ask 3 questions in class and count the number of students who raised their hands: Who knows about Mimi's food stand? Who has bought something from the stand? Who has bought something every week?

(ii) To understand (a) why people who knew about her stall didn't buy, and (b) what she should do to get more regular customers, she asked the teachers to jot down several names of people in both groups so she could interview them later.

By testing her hypotheses, she realized that many more people knew about her stall (50%) than she expected, and she used interviews to find out why people weren't buying or returning.



KEY QUOTES

"You don't have to figure everything out on your own. Look for information to help you make the best decision in the given time."

- *People weren't buying mainly because* (a) they didn't like hot dogs, or (b) her stall was only open on Friday after school, when the students wanted to hang out elsewhere.

- Those who tried her hot dogs but *didn't buy again* wanted more variety, such as different sauces or sides (e.g. fries or nuggets).

With the new insights, Mimi generated possible solutions for each of the 3 categories.

- Using the logic tree, she explored a wide range of solutions, then narrowed down to ideas that concurrently (i) increased awareness and (ii) made people want to buy. Here are 2 examples:

Who	Idea	Creates awareness?	Gets them to buy repeatedly?
Mimi	Give out flyers with promotions.	✓	✓
Customers	Bring a friend to get a free hot-dog.	✓	✓

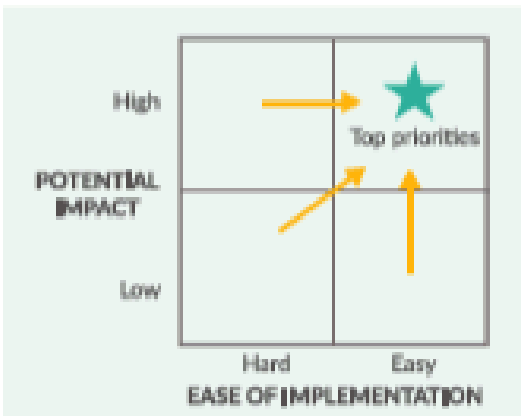
Then, she developed an implementation plan.

- She *prioritized the ideas* based on impact and ease of implementation, in this sequence:

  (i) Top-right box (high impact, easy to do);

  (ii) Top-left or bottom-right boxes;

  (iii) Bottom-left box (low impact, hard to do).



- With some brainstorming, she also managed to *shift more items to the top-right box*. For example, she didn't know how to design flyers, but found a friend who'd do it for her in exchange for free hot dogs.

Finally, she executed the plan, refining it as she went. Within the first 2 months, awareness increased to 80%, first-time

KEY QUOTES

"You can accomplish more by collaborating with others who have strengths you may lack."

purchase increased to 50%, and repeat purchases to 40%. This meant a total of 200 customers each month, of which 80 were regular customers!

Example 2: Learning Roadmap for a Career Switcher

Alex was an experienced marketing manager who aspired to transition into data science. He broke down this ambition into smaller parts, and decided that his first step was to acquire the necessary skills through a reputable training program. To do so, he must choose an ideal course that fit with his budget and learning objectives.

Alex started by setting a clear, specific goal: to enroll in a part-time data science bootcamp within 6 months, ensuring the course (i) met his career needs, (ii) could be completed while holding his full-time job, and (iii) was within a budget of $3,000.

Next, he assessed the gap between his goal and current situation, including:

- His current *knowledge and skills*, and the specific gaps in data science expertise he wished to fill;
- His *available hours* each week; and
- His *financial situation*: with estimated savings of $300 per month, he needed an extra $1,200 [$3,000 – ($300 x 6)] for the course.

He shortlisted available courses, then used the following tools to compare and choose his ideal course:

- *Pros and cons grid*: to compare his top 5 options and narrow them down to 2.
- *Criteria-evaluation table*: He used this to compare the top 2 courses, taking into account factors like course content quality, flexibility, post-course support, and cost.

KEY QUOTES

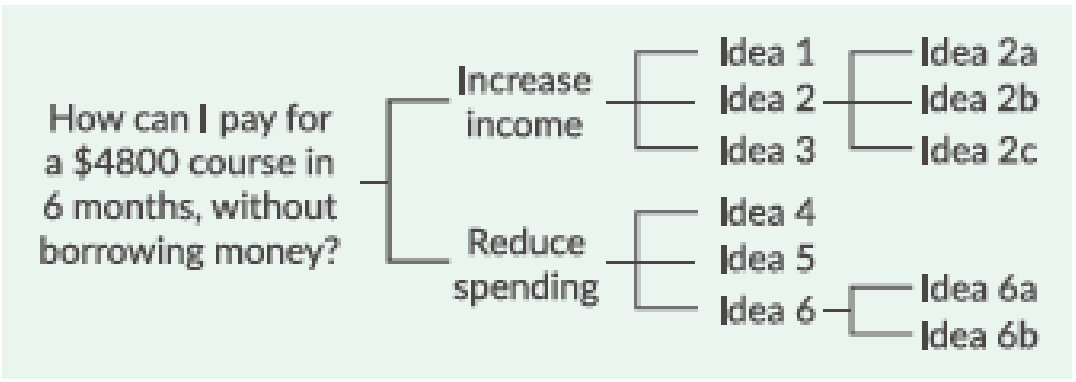
"The more specific the goal is, the more specific the action plan will be."

Criteria		Importance of criteria	Option 1	Option 2
Quality of Course	Covers all major topics?	High	All topics covered	All topics covered
	Has a mix of concepts + hands-on learning?	High	Mainly classroom learning.	Includes real-world projects
	Networking Opportunities?	Medium	Online forums	Alumni events & online community
Budget	Falls within $3000?	High	$2799	$4800
Class schedule	Flexible learning hours?	Medium	Mainly online learning/ videos	Online learning + compulsory review & project sessions
	Less than 6 hours per week?	Low	Mainly lessons & quizzes	Extra simulations, presentations, and industry engagements

- Initially, Alex was leaning toward Option 1 as it covered all the essential topics, and fit both his budget and schedule. However, after doing further research and speaking with alumni and industry experts, he realized that the hands-on experience and networking opportunities from Option 2 would greatly benefit his career transition, even though it required more time and money.

Using separate logic trees, Alex explored possible options/ ideas to (i) meet his education budget, and (ii) free up more time without compromising his job.

- For example, he brainstormed ways to meet his education budget by (i) increasing his income (e.g. taking on side gigs), and (ii) reducing expenses (e.g. cutting down on meals at restaurants).

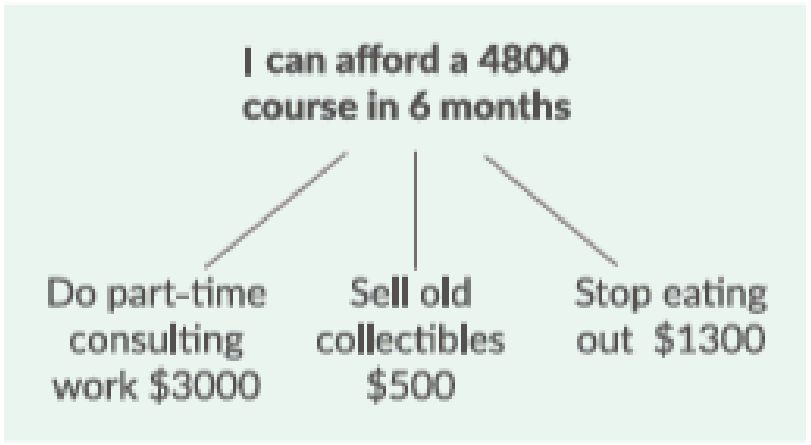


- He also did online research and spoke with friends, colleagues, and alumni members for *ideas to effectively manage the part-time course* while holding his full-time job.

KEY QUOTES

"Problem solving is easy when you know how to set a clear goal, figure out how to reach it, and follow through while reviewing your progress and making changes to your plan as necessary."

From there, he formed his hypothesis on the best ways to close the gap and achieve his goal. For example, he identified the top 3 ways to close the budget gap as: freelance consulting projects, selling old collectibles and reducing expenses on gadgets and restaurants.



Now, he had to test his hypotheses:

- *Closing the budget gap*:

  (i) He researched the market rate and demand for freelance marketing consultants, and found it to be much more competitive than expected. He adjusted his projections to $1000 instead of $3000.

  (ii) After putting his collectibles online, he was pleasantly surprised to receive quotes of up to $2000.

  (iii) After tracing his expenses, he realized he could save only $500 from cooking instead of eating out, which might not be worth the hassle. Instead, he could save the same amount just by cutting back on beer alone.

  (iv) In addition, he contacted the course organizers, and was excited to learn that he could qualify for an alumni-sponsored partial scholarship aimed at career-switchers like him, halving the cost to just $2400!

- Additionally, Alex negotiated a *flexible work arrangement* with his employer for 3 days each week when he had to attend his course. He presented a case on how his training would bring data-driven decision-making skills to benefit his current role, and how he would complete his work remotely on work-from-home days.

With flexible work hours, a scholarship and additional income from the collectible sales, Alex only had to save an extra $400

KEY QUOTES

"Luck is what happens when preparation meets opportunity."
—Seneca

"Spend less time worrying about things and more time thinking about actions you can take to get closer to your goals, then actually take action."

by reducing beer consumption. He was now ready to execute his final plan, enroll in the data science program, and start taking his first steps toward his dream career of a data scientist.

Conclusion and Other Details in the Book

As we saw in the 2 examples above, you can solve problems and achieve your goals more effectively by researching the problem, exploring the issues and solutions, planning and testing your hypotheses, asking for help, and constantly challenging your own thought processes and conclusions.

The book is full of illustrations, charts, tables, and examples to bring the ideas, steps and tools to life. Specifically, Ken Watanabe presents 3 detailed case studies of:

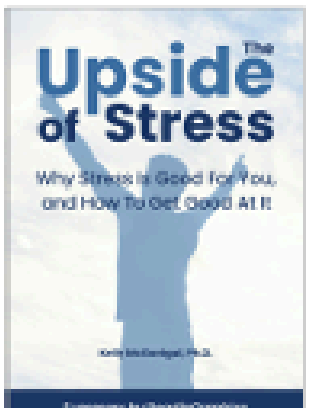
- *The Mushroom Lovers*: A new rock band that wanted to improve their concert attendance;
- *John Octopus*: A young man who aspired to become a computer graphics animator and Hollywood movie director, and needed to buy a computer to start learning CGI; and
- *Kiwi*: a soccer player who wanted find the best school in Brazil to hone her soccer skills and become bilingual/ bicultural.

About the Author

Ken Watanabe grew up bilingual in Japan and studied in the United States at Yale and Harvard Business School. He was a management consultant at McKinsey & Company for six years. He is now the founder and CEO of his own education, entertainment and media company, Delta Studio.

KEY QUOTES

"If you make problem solving a habit, you'll be able to make the most of your talents and take control of your life. You can solve not only your own problems, but the problems of your school, your business, and your community—and maybe even the world."



THE UPSIDE OF STRESS

Why Stress Is Good for You,
and How to Get Good at It

KELLY MCGONIGAL, PH.D.

The Big "So What"

Most people believe that stress is bad and should be avoided. In this book, health psychologist Kelly McGonigal presents scientific evidence that stress can improve your performance, physical and psychological health. She also shares various strategies and interventions to help you thrive under pressure, and manage physical symptoms of anxiety.

Introduction

Like many others, McGonigal used to think that stress is toxic. However, after researching stress in detail—through empirical research, interviews with scientists and researchers, experiments and interventions—she realized stress is harmful only when you believe it is.

- For example, 30,000 adults in the U.S. were asked if they thought stress hurt their health. 80 years later, those with high stress levels were 43% more likely have died—*only if* they had believed that stress was bad for them. Those who experienced high stress but didn't see it as harmful actually had the *lowest* risks of death. In short, stress alone doesn't kill people; the danger comes from the *combination of stress and the belief that it's harmful*.

- McGonigal has since combined psychology, neuroscience, and biology to create the "New Science of Stress" course being taught at Stanford, to help people thrive under stress. This book is based on the *insights and strategies* from the course, presented in 2 parts:

  (i) How to change the way you think about stress; and

  (ii) On-the-spot strategies to apply when you're stressed.

KEY QUOTES

"The latest science reveals that stress can make you smarter, stronger, and more successful. It helps you learn and grow. It can even inspire courage and compassion."

"I've changed my mind about stress, and now I want to change yours."

Part 1: Rethinking Stress

The first step to transforming stress is to change how you think about it. The word "stress" is used by people to describe everything from a minor frustration to a major trauma. McGonigal defines stress as "what arises when something you care about is at stake."

The Power of Mindsets

Many research studies have found that our beliefs can affect our physical outcomes:

- In a study, housekeepers who were told that their work was a form of exercise *lost weight and body fat* after 4 weeks. Housekeepers who were only told the importance of physical exercise didn't experience such weight/fat loss.

- In another study, 2 groups of people were given the same milkshake. However, the 1st group thought it was a high-calorie, high-fat milkshake, while the 2nd group thought it was a low-calorie, zero-fat milkshake. After consuming the milkshake, the 1st first group was found to have 3x less *hunger hormones* (ghrelin), i.e. they felt full because they *expected* to be full.

- Beliefs about *aging* were found to affect people's rate of recovery after a health challenge or accident, and even their longevity. People with a positive attitude toward aging tend to live longer.

Mindsets are your core beliefs about how the world works, e.g. "the world is a dangerous place", "money can't buy you happiness", or "people can't change".

- Your mindset affects how you think, feel and act, which influence your outcomes, to further reinforce your mindset. So, even a short, one-time *mindset intervention* can catalyze changes to produce a snowball effect with far-reaching consequences.

KEY QUOTES

"Small shifts in mindset can trigger a cascade of changes so profound that they test the limits of what seems possible."

- For example, a group of freshmen received a mindset intervention targeting their sense of *social belonging*. They were told that it's normal to feel like you don't belong, and the feeling will fade. Then, they were asked to read excerpts from others' experiences, write an essay on their own experience, and read their essay in front of a camera. In the next 3 years, students who received this intervention experienced better physical health, academic performance and happiness, compared to those who didn't. Most of them forgot the details of the intervention, but the message stuck and influenced their behaviors (e.g. how they handled problems or connected with others) to create a long-term, ripple effect.

- Mindset interventions are similar to *placebos*, except the effect is longer-lasting. Placebos are effective even when patients know that they're taking sugar pills instead of real drugs, if the doctors explain how placebos work. Likewise, mindset interventions work even when participants know they're going through an intervention.

Your thoughts/beliefs about stress affect your **physical and biological realities**.

- During times of stress, our body releases *2 hormones*— cortisol and dehydroepiandrosterone (DHEA).

  (i) When you're stressed, your body burns fat and sugar for energy. *Cortisol* enhances your ability to use that energy, but also suppresses certain biological functions (e.g. digestion, reproduction, growth). *DHEA* helps your brain to learn from the stressful experience, and also counters some of cortisol's effects, e.g. it strengthens your immune system and speeds up wounds recovery.

  (ii) You need both hormones, but the ratio of DHEA to Cortisol (called the *growth index*) affects the long-term impact of stress. People with a higher growth index tend to thrive under stress, and are less prone to stress-related diseases like depression or heart disease. Those with a lower growth index are more prone to depression, poorer immunity, etc.

- In a study, participants went through an interview designed to generate stress. Before the interview, each

KEY QUOTES

participant watched a video that either said (i) stress enhances performance or (ii) stress is debilitating. After the stressful interview, both groups saw an increase in cortisol levels. However, the participants from the 1st group had higher DHEA levels compared to the 2nd group. In short, the belief that stress is enhancing improved their *growth index*.

The Biology and Psychology of Stress

- The flawed belief that "stress is bad" can be traced back to Hans Selye, an endocrinologist. In 1936, Selye found that when lab rats were exposed to trauma (e.g. injected with substances, exposed to extreme heat/cold), they developed ulcers, physically deteriorated and died. He called this "stress".

  - Later, Selye hypothesized that stress also contributed to many symptoms in human patients (e.g. loss of appetite, fatigue) and ailments (e.g. heart attacks, allergies). He defined stress as "the response of the body to any demand made on it"—a definition that much broader than the extreme trauma/abuse experienced by the lab rats. In short, Selye's hypothesis was never proven, and his conclusions were drawn from lab animals under *drastically different conditions* from our daily human stresses.

  - Selye's work on the toxicity of stress was so widely acclaimed that he was nominated 10x for the Nobel Prize. He later acknowledged that that *not all stress is bad*, and even started to differentiate between good stress (eustress) and bad stress (distress). However, the label "stress is bad" had stuck.

- It's also wrongly assumed that stress will always trigger the "fight-or-flight response". This term was first coined by physiologist Walter Cannon in 1915, to describe the state of heightened sympathetic activation when animals faced a live-threatening situation. This response may also be triggered in humans. However, it's just one of humans' many possible stress responses. Your body responds to stress in complex ways, depending on (i) the nature of the

KEY QUOTES

stress, (ii) your past experiences, and (iii) your interpretation of the situation.

- When you're stressed, the body *unlocks energy and heightens your senses/focus* to help you cope with the situation.

  (i) When a *fight-or-flight* response kicks in, your breathing deepens to give you more oxygen, your body burns more fat and sugar for energy, the stress hormones facilitate the use of that energy, and your heart rate increases to deliver the oxygen/energy to your muscles/brain. Your pupils dilate and your hearing sharpens to heighten your focus. You also get a boost of motivation, power and confidence from biochemicals like endorphins, adrenaline, testosterone, and dopamine. In this state, you're driven by primal instincts instead of rational thought. The response can be so drastic that people have been known to exhibit extraordinary strength, e.g. 2 teenage girls managed to lift a 3000-pound tractor off their father.

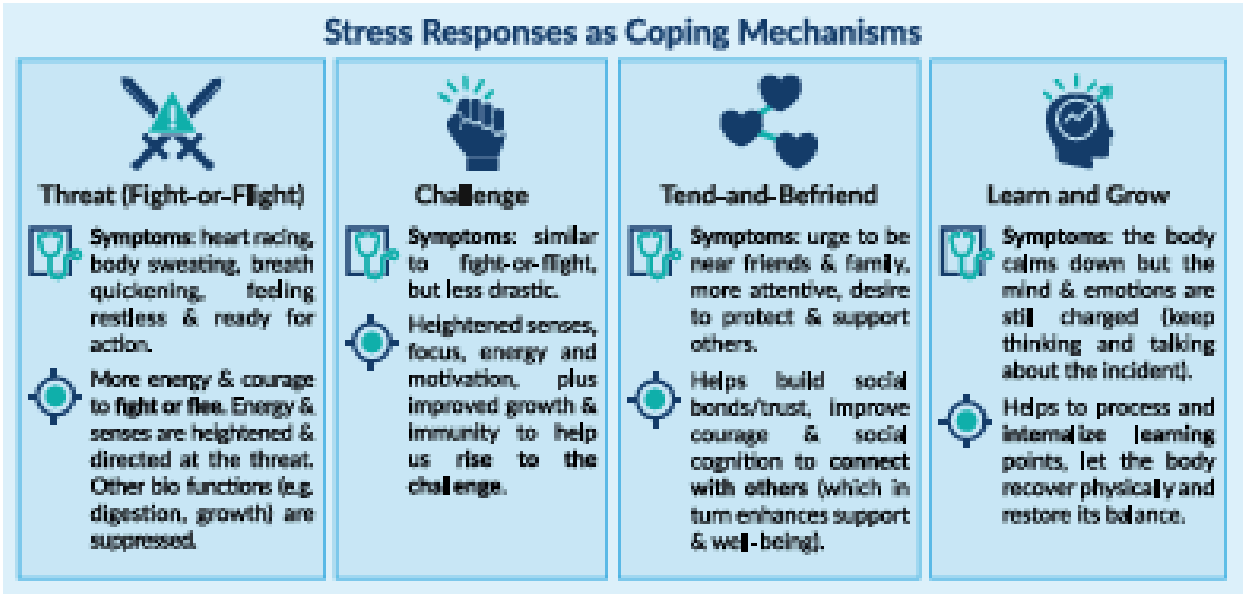
  (ii) However, in less stressful situations, your body usually adopts a moderate *challenge response*. You'll still have increased energy and focus, but your DHEA levels will be higher than your cortisol levels. Instead of operating from fear, you enter a growth state. People in a state of "flow" (i.e. enjoyably absorbed in a challenging task) are actually displaying a challenge response.

- Stress may also trigger your desire for *social connection* or the *tend-and-befriend response*. This comes mainly from oxytocin, which is also known as the "love hormone". Oxytocin helps to build social bonds, empathy, and trust. It also counters the debilitating effects of fear, improves cardiovascular health, and gives you the motivation/ courage to protect others. So besides the desire to connect with people, you're more likely to stand up for a colleague or protect your loved ones. After a traumatic event or personal crisis, people tend to become more caring and altruistic because caring for others creates a sense of courage and optimism, and dispels feelings of fear and defeat.

KEY QUOTES

"Your stress response has a built-in mechanism for resilience—one that motivates you to care for others while also strengthening your physical heart."

- Stress also helps you to *learn and grow*. As your body starts to calm down, your stress hormones help you to recover faster. For example, cortisol and oxytocin help to reduce inflammation and restore balance to the nervous system, while DHEA helps to increase the brain's neuroplasticity to help you learn from the experience. That's why we tend to feel mentally and emotionally charged for some time after a stressful event. You're likely to replay the scene in your head, or feel the urge to tell someone about the incident.



In short, stress isn't "bad" and stress hormones are your body's way of helping you to cope with stressful situations. Survivors of an accident are less likely to develop post-traumatic stress disorder (PTSD) if they have a higher level of stress hormones (cortisol and adrenaline) just after the accidents. Patients who received stress hormones just before a traumatic surgery spent less time in intensive care and had fewer traumatic symptoms post-surgery.

In fact, stress goes hand-in-hand with a meaningful life.

- A Gallup World Poll found that a country's stress index was correlated with its people's well-being (life expectancy, GDP, happiness and life satisfaction). In fact, high levels of stress were associated with *both* higher levels of distress (including anger, sadness, worry etc.) and well-being (e.g. joy, love, laughter). McGonigal calls this the *stress paradox*. For example, parents with children below 18 are more stressed, but also laugh and smile more. Entrepreneurs are both stressed and fulfilled by their steep learning curve.

KEY QUOTES

"Stress leaves an imprint on your brain that prepares you to deal with similar stress the next time you encounter."

"The stress response is more than a basic survival instinct. It is built into how humans operate, how we relate to one another, and how we navigate our place in the world."

"A meaningful life is a stressful life."

- So, stress isn't a sign that something's wrong with your life; it's a sign that you're *meaningfully engaged* in things you care about. People who're busier tend to be happier, and people with a sense of purpose tend to live longer.

- In a study, students were tasked to keep journals over a winter break. One group wrote about their most important values (and how their daily activities supported those values). The other group wrote about the good things that happened to them. At the end of the break, the first group reported better health, confidence and motivation. *Writing about their values* helped them to see their daily activities as a expression of their values instead of burdens/hassles. Similar results were found in many other studies: by changing how you see your daily activities, you can motivate positive action and improve your self-identity.

Using Interventions to Change your Stress Mindset

Your stress mindset (whether you believe stress is harmful or helpful) tends to create a self-fulfilling prophecy. When you think of stress as a resource and actively confront your challenges, you develop new skills and resources to improve your results, competence and confidence in a virtuous cycle. When you deny or avoid the stressful challenges, the reverse happens.

- Psychologist Alia Crum did a stress mindset intervention with financial workers during the 2008 financial crisis. Participants were split into 3 groups. The 1st group was taught the positive effects of stress, the 2nd group was taught the harmful effects of stress, and the 3rd group received no training. Participants were surveyed before and after the training. After the intervention, people in the 1st group had a more balanced view about stress, were less depressed/anxious, reported fewer health issues and enjoyed more focus, engagement, collaboration, and productivity. The other 2 groups showed no behavioral changes.

- In another study, participants were invited to a *stress-management* training. Half the participants received a intervention while the rest were put on

KEY QUOTES

"Happy lives are not stress-free, nor does a stress-free life guarantee happiness."

"Stress and meaning are inextricably linked. You don't stress out about things you don't care about, and you can't create a meaningful life without experiencing some stress."

waitlist. During the intervention, participants were told the harmful and beneficial effects of stress, the power of mindset, and that the training aimed to help them choose a positive mindset. They were then asked to reflect on their own experiences with stress, and taught a 3-step process to apply when they were stressed. 3 weeks later, the participants demonstrated a more balanced view about stress, reported less anxiety/depression, and had better health, focus and engagement. The effects remained after 6 weeks. Employees on the waitlist showed no changes until they went through the intervention.

You can shape your stress response and transform your mindset using similar interventions or exercises:

- *Rethink your stress response*: Think of a recent stressful experience. Refer to the list of stress responses above, and write down the elements that were present during/ after the experience, e.g. sweaty palms, the urge to call a friend. What did you associate with these elements? What helpful role could they have played?

- Reflect on the link between *stress and meaning in life*: List down the most meaningful aspects of your life (e.g. relationships, activities, goals). What feelings do they bring? Are they also somewhat stressful? Would you rather be stress-free or lose that aspect of your life?

- *Consider your values*. List down the values that are the most important to you, identify the top 3, then write about at least one of them for 10min. Describe why the value is important, how it guides your decisions, and how you express it in your daily life. The next time you're stressed, use this to remember why you do what you do. You can also carry a physical reminder, e.g. a keychain or post-it note with your key values.

Instead of complaining about stress or fantasizing about a stress-free life, try talking about stress to cultivate mindset mindfulness.

- When we avoid stress or try to forget the stressful moments, we're also cutting out the meaningful life experiences, creating additional stress while removing the resources that'd have helped us to cope. Physicians who shared their work experiences daily became more mindful

KEY QUOTES

"Remembering your values can help transform stress from something that is happening against your will and outside your control to something that invites you to honor and deepen your priorities."

"Although avoiding stress can seem like a rational strategy, it almost always backfires."

of their thoughts/feelings and found new meaning in their struggles at work. After 1 year, the physicians' depression and anxiety levels fell by two-thirds, and they felt more empathy for their patients.

- Reflect on the *cost of stress avoidance*: What roles/ activities have you rejected because they seemed stressful? What substances/distractions do you use to escape unpleasant thoughts/feelings? What would you do/experience/change if you weren't afraid? What does avoiding stress truly cost you?

Part 2: Transforming Stress

Stress is unavoidable, and the strategies in this section will help you to transform stress from a debilitating factor to a useful resource. Being good at stress isn't about avoiding it or being untouched by it. It's about using stress to tap into your natural strengths and resources, so you're more likely to adopt a constructive response, instead of becoming withdrawn, aggressive or defensive.

- During times of stress, pause to *consider what you need most*, e.g. to survive, perform, connect, or learn. Your body will respond based on your expectations.

Transforming Threats to Challenges

A challenge response is better than a flight-or-flight response (or threat response) for performance enhancement. Not only does it increase your energy and focus, it also improves your performance, resilience and health.

- If you think that you lack the resources to deal with a challenge, you're more likely to feel threatened and lapse into a threat response. To *shift to a challenge response*, focus on your resources, including your strengths, past successes/preparation, and your body's natural stress responses.

KEY QUOTES

- The *Trier Social Stress Test* used events like public speaking and math tests to create stressful situations that increased participants' stress hormones by up to 400%. A mindset intervention was applied before the test: the 1st group was told that stress could be used to boost performance, the 2nd group was told that stress was best ignored, and the last group received no tips about stress. During the tests, the 1st group was more confident, demonstrated more physiological stress arousal, better focus and performance. The last 2 groups showed no difference in performance.

You can transform anxiety into a resource for performance.

- Students who were told that pre-exam anxiety can help them to perform ended up doing better in a mock exam despite higher levels of stress activation, i.e. they were able to *leverage their stress*.

- The next time you notice signs of stress (e.g. racing heart, sweaty palms), don't force yourself to relax or suppress your anxiety. Instead, *direct the energy constructively*:

  (i) Remind yourself that stress is your body's way of equipping you to cope with the challenge.

  (ii) Tell yourself that you're excited or motivated, and use that energy to rise to the challenge.

  This approach works for various situations and people, including the under-privileged and those with psychological disorders.

Building Resilience through Social Connections

Stress can bring about caring-befriending behaviors or aggressive-selfish behaviors, though the former is much more helpful.

- *Tending and befriending* helps to transform stress by increasing 3 types of brain activity to make us more social, brave and smart.

  (i) Oxytocin makes us more empathic, trusting and sociable;

KEY QUOTES

"When you stop resisting it, stress can fuel you."

"If you have butterflies in your stomach, invite them into your heart."
—Cooper Edens

"Whatever the sensations of stress are, worry less about trying to make them go away, and focus more on what you are going to do with the energy, strength, and drive that stress gives you."

(ii) Dopamine gives us a "rush" that dampens fear, increases optimism, and primes us for action; and

(iii) Serotonin increases our sense of perception, intuition and self-control to help us identify the right solutions.

To switch to a tend-and-befriend mindset:

- Focus on *bigger-than-self goals* that positively impact others, and consider how your current activities can serve those goals.

  (i) People who focus on a higher purpose tend to feel more inspired, curious, grateful and energized, build stronger networks and feel more satisfied with life. Those who focus on self-centered goals (e.g. promotions or awards) tend to feel more confused, anxious, envious and lonely.

  (ii) A group of bus drivers reimagined their role to make the bus a place for people to feel seen and known. When passengers boarded the bus, the drivers greeted them, made eye contact and said hello. This simple shift significantly increased the drivers' job satisfaction and reduced risks of burnout.

  (iii) Students who took time to reflect on bigger-than-self goals showed improved academic motivation and performance, and persisted longer in face of challenges.

- Look for ways to *help/support others*. By giving your time/help instead of withholding it, you'll actually feel less overwhelmed.

  (i) By measuring human brain activity, researchers found that people who comfort/help others also experience hope and connection, whereas those who focus on removing their fears only became more fearful.

  (ii) Time-strapped people who spent their free time helping others ended up feeling less time-constrained, more capable and useful, compared to others who used the free time on themselves. After a spouse's death, people are less prone to depression if they take care of others. Survivors of a natural disaster are less

KEY QUOTES

"Helping others doesn't make you live forever, and it can't protect you from everything. But what it does protect you from is stress."

prone to PTSD if they help others in the aftermath. Even prison inmates thrived when they were given caregiving opportunities.

- If you isolate yourself when you're stressed, you can get stuck in a downward spiral. To make a mindset shift, recognize your pain as part of a *common human experience*:

  (i) In a group, get everyone to write down something they've been secretly struggling with. Then, mix the entries up, and get each person to read a random entry aloud. This allows us to see others' invisible pain, while protecting their anonymity.

  (ii) On your own, reflect on your thoughts/feelings (e.g. pain, anger, self-doubt) about a situation. Consider how others may also feel similar pain/suffering. End the reflection with a phrase that captures your shared experience, e.g. "May we all know our own strength" or "May we all find peace."

- Take the first step to *create the supportive community* you wished you had. Don't wait for others to reach out first. If you wish to feel appreciated, then start by expressing your gratitude. If you want a sense of belonging, then help others to feel welcome.

Growing from Adversity

There's extensive evidence of mankind's ability to grow through adversity. The most significant personal growths in your life probably also occurred during times of stress.

- There are many stories of people who experienced extreme trauma yet rose above it. *Post-traumatic growth* has been observed in all sorts of trauma, e.g. abuse, terrorist attacks, or life-threatening diseases. Survivors may transform their lives as they uncovered inner strengths, experienced spiritual growth, found a new calling, or found deep, meaningful relationships.

- Trauma is never good, but it can activate one's strengths, values, and responses to bring good outcomes. We

KEY QUOTES

"Sometimes, we make the choice to be generous first, and the uplift comes later."

can't avoid pain and adversity in life, but we can choose our responses to them.

Psychologist Edith Chen found that people with a difficult childhood could resist the toxic environment with a "shift-and-persist" strategy. *Shifting* is about changing how you think about the stressful situation, e.g. believing that good can come out of it, or focusing on what you can learn. *Persisting* is about finding meaning in adversity, e.g. believing that things will get better or you have a purpose on earth. To adopt this strategy:

- Think of a *stressful experience* where you persevered or grew. Take 15min to write about the strengths/resources you drew on, the actions you took, how you dealt with adversity, and how you grew stronger.

- Think of a challenge you're struggling with. Consider the strengths/resources you can draw on, the skills/strengths you wish to develop, and how you can use this situation as an *opportunity to learn and grow*.

You can choose to see the upside in any situation. Yet, it's hard to do so when you're in the midst of a stressful situation, e.g. if you've been diagnosed with cancer. Train yourself to **pause and find benefits in a stressful situation**, so you can shift your physical, mental and emotional states and activate effective coping strategies.

- Take 2 minutes to consider the potential benefits of your current situation, e.g. how you could learn, grow or become stronger from it. Common benefits from adversity include: appreciation of life, spiritual growth, sense of personal strength, social connections, or new life directions. This *2-min mindset intervention* can activate parts of the brain associated with positive motivation and active-coping, to help people to feel less angry, more joyful, grateful, and in control.

- *Longer-term interventions* include: daily reflections or journaling about your difficult situations, or keeping a diary of your positive daily experiences.

Spreading growth and resilience. Research found that watching the news after a natural disaster or terrorist attack tends to increase the risk of depression or PTSD. Even

KEY QUOTES

"We cannot always control the stress in our lives, but we can choose our relationship to it."

watching TV talk shows can increase fear and anxiety levels. Yet, research also found that people can be inspired by stories of others who experienced amazing resilience and recovery in face of trauma and adversity.

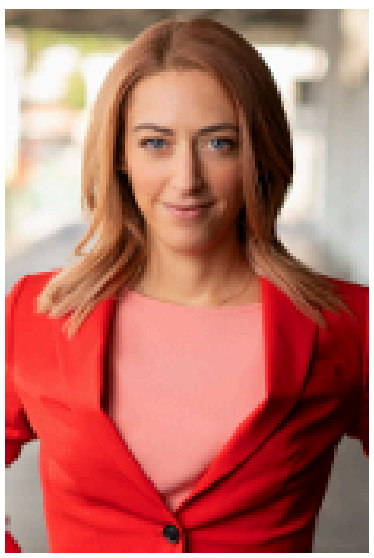
- We can all do our part to spread *stories of resilience and growth*, e.g. via news reports, artwork, pictures, newsletters, websites and conversations.

- Try *capturing your own story*. If you were a journalist, how would you describe your challenges, the turning point in your struggles, how you expressed your strength, resilience, growth and values, and how you changed/ grew from adversity? What photos, videos or collages would best capture that story? You can keep the materials for private reference or share them.

Conclusion and Other Details in the Book

Stress can be harmful or helpful, depending on how you choose to see it. It's the most harmful if you (i) feel inadequate to handle it, (ii) isolate yourself from others and (iii) feel helpless or burdened by it. However, when you embrace it as a natural human resource, it can be a source of confidence, courage, connection, and meaning. The book comes with a wide range of empirical research, studies and interventions to elaborate on the concepts outlined in this summary. For more details, please visit http://kellymcgonigal.com/books.

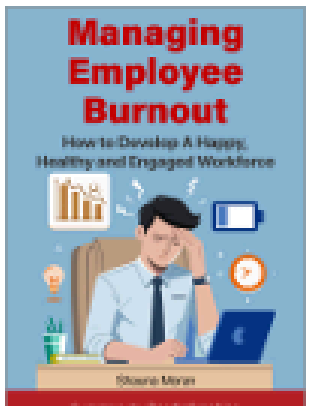
About the Author



Kelly McGonigal, Ph.D., is a health psychologist and lecturer at Stanford University. She's best known for her work in the area of "science help", which combines insights from psychology, neuroscience, medicine, and biology to provide strategies that support health and well-being. She's the former editor in chief of the International Journal of Yoga Therapy, as well as the author of several books on health and wellness.

KEY QUOTES

"The best way to manage stress isn't to reduce or avoid it, but rather to rethink and even embrace it."



MANAGING EMPLOYEE BURNOUT

How to Develop A Happy, Healthy and Engaged Workforce

Shauna Moran

The Big "So What"

In today's fast-paced world, burnout is becoming increasingly common. This book provides practical, evidence-based strategies to address burnout in the modern workplace. It helps you to prevent personal burnout, and create a supportive work environment that boosts productivity, lowers turnover, and improves employee engagement.

Introduction: What is Burnout?

Definition: According to the World Health Organization (WHO), burnout is a syndrome that occurs when chronic workplace stress is not managed effectively.

- Unlike normal fatigue, burnout causes *persistent exhaustion* that doesn't go away even with breaks or vacations. It often leads to detachment from work and negative thoughts about work.

Burnout is a common challenge at work. A 2021 Deloitte survey found that 77% of workers have experienced burnout at their current jobs.

- The COVID-19 pandemic worsened burnout due to the sudden shift to remote work, lack of personal outlets, and increased stress and loneliness. *Remote workers are more susceptible to burnout* because they:

  (i) Struggle to disconnect from work;

  (ii) Often lack healthy boundaries; and

KEY QUOTES

"To truly reduce burnout in our teams once and for all, we need to be willing to be uncomfortable and take ownership as an organization and as leaders."

"True diversity in our workplaces and our teams means that we understand different needs, environments and situations."

"This book, the stories and research I share, will help you understand the different types of burnout that we experience in our working worlds and how the root causes of burnout can themselves have various root causes."

(iii) Feel more isolated due to a lack of face-to-face interactions and social activities.

- Burnout has significant *financial and emotional costs*. A Harvard Business Review article estimates that employee burnout leads to annual healthcare costs of $125-$190 billion in the U.S. and 120,000 stress-related deaths. Burnout affects the whole organization, leading to higher employee turnover, reduced productivity, and increased healthcare costs.

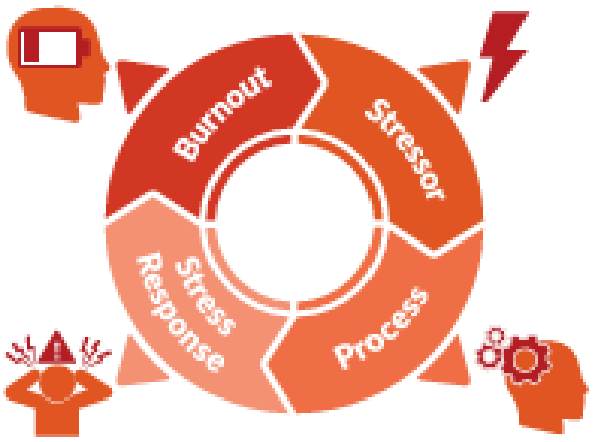
While burnout is experienced by individuals, it is actually a systemic problem that requires a multilayered solution. This summary explores:

- The causes and stages of burnout; and
- Strategies to address burnout at the individual, leadership, and organizational levels.

Understanding Burnout

The stress cycle explains how we cope with stress, and how burnout develops in high-stress environments.

- *Stress is triggered by stressors*, which make us feel like we're missing something essential for survival, physically or emotionally. Some common workplace stressors include critical emails from clients or negative performance reviews.



- *The brain processes the stressors* to decide if they are threats. We interpret and respond to events differently, based on our personal experiences and psychological makeup.
- If a stressor is perceived as a threat, the body initiates a *stress response*, with the fight-or-flight reaction at the core. The fight-or-flight response is controlled by the sympathetic nervous system. It leads to increased heart rate, dilated pupils, and heightened senses, preparing us to confront or escape the perceived threats.

KEY QUOTES

"Now more than ever, it's vital for organizations to look at the impact burnout has on their leaders and to paint the full picture of the true cost of burnout."

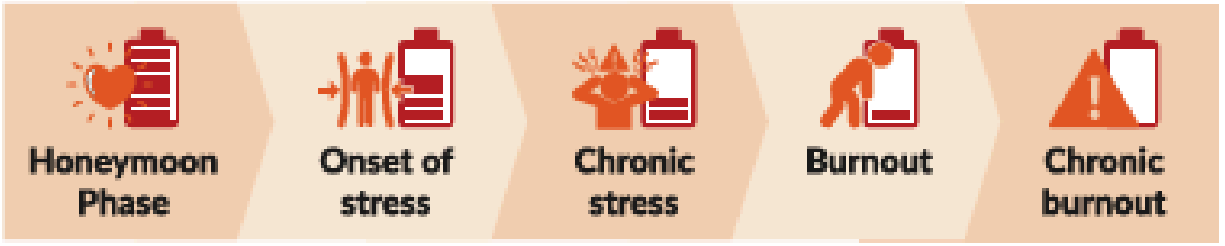
"Burnout rarely has just one cause. It's often a combination of many issues stemming from a lack of ownership of oneself, ineffective team processes and cultures, or even a lack of leadership."

"Everyone interprets life differently, through a lens of their perceptions created by their reality. Therefore, we're all going to have different 'threats' or 'triggers'."

- Prolonged activation of the fight-or-flight response can lead to *burnout*.

- You can *break the cycle* above by activating the parasympathetic nervous system, which promotes rest, relaxation and recovery to mitigate stress. This can be achieved through deep breathing, walking in nature, meditating, a loving hug, etc.

There are many opportunities to stop the stress cycle since burnout doesn't happen overnight. It develops gradually over 5 stages:



- *Honeymoon phase*: You start off on a new job/task feeling energetic, productive, and motivated. You might volunteer for extra tasks but risk overworking and neglecting self-care.

- *Onset of stress*: Stress begins to build up, and cracks appear. You start to skip meals, work late, and have less time for personal activities. You might experience headaches, difficulty focusing, and some anxiety.

- *Chronic stress*: Stress symptoms worsen, leading to a decline in job performance and cognitive abilities. You feel guilt or shame, and get stuck in a cycle of procrastination and overworking. You miss deadlines and feel overwhelmed even by routine tasks.

- *Burnout* sets in if stress is not managed. Productivity drops, and you may dread work and fall sick easily. You are likely to feel strong emotional physical responses like hopelessness, despair, headaches, digestive problems, and sleep issues.

- *Habitual burnout*: You feel totally burnt out, and are constantly disengaged, fatigued, and resigned in all aspects of your life.

KEY QUOTES

"You are the gatekeeper for your wellbeing and mental health."

"Life is too short to be unhappy in a career that's killing your soul. Your potential, strengths and abilities are too precious to not be nurtured fully in the ways you need them to."

Addressing Burnout as an Individual

Know the Signs of Burnout and Strategies for Recovery

Before we can address burnout, we must first recognize its signs.

- *Burnout can manifest as*:

  (i) Sudden dislike for work you previously enjoyed;

  (ii) Lower engagement and productivity; and/or

  (iii) Persistent negative thoughts about work and colleagues.

- *Ask these questions*:

  (i) Have you become more cynical, disconnected, or resentful towards your job? Do you feel more irritable or impatient towards colleagues or customers?

  (ii) Are you overreacting emotionally to work situations that you used to handle calmly?

  (iii) Do you struggle to switch off from work? Do you feel too tired to be productive?

  (iv) Are you experiencing unexplained physical issues like headaches, stomach problems, or changes in sleep patterns?

  (v) Are you using food, drugs, or alcohol to cope with job stress?

Burnout recovery varies among individuals, and can take months or years. Some strategies for recovery include:

- *Becoming aware* of your stress triggers and levels, so you can manage your responses deliberately.
- *Getting emotional support* from friends, family, and colleagues.
- *Making healthy lifestyle adjustments* like sleep, diet, exercise, and engaging in joyful or fulfilling activities.

KEY QUOTES

"To build self-awareness, we must strengthen our conscious connection to all three brain regions: our thoughts, emotions, and gut instincts."

"It's not about how much time you have, but rather how you can bring awareness to spend some time on yourself before you spend time with the outside world."

- *Setting clear boundaries* during recovery, e.g. saying no to social invitations or extra responsibilities to protect your energy and focus.

Build Self-Awareness and Emotional Intelligence

Studies show that employees with emotional intelligence (EI) perform better at work and are less likely to experience burnout. Self awareness and EI are especially crucial for remote workers, who must manage their own schedules and environments, and cope with team dynamics in a virtual setting.

Strengthen your ability to manage your needs, emotions, and interactions with others.

- Throughout the day, regularly *assess your physical-emotional state*, identify what you need to feel at your best, and adjust your plans and activities accordingly.
- Equip yourself with *strategies for managing negative emotions*.
  - (i) Pick 3 key emotions (e.g. anger, fear, sadness) and brain-storm 5 ways to manage each.
  - (ii) You can shift your mood by changing your posture (e.g. smile, relax your posture, or roll your shoulders), do deep breathing or take short breaks.
- *Get feedback* from trusted colleagues on how your emotions affect them. Use these insights to adjust your emotional responses and improve interactions.

Improve Your Remote Work Practices

One of the key advantage of remote work is its flexibility. Use that to design your schedule based on when/how you work best.

- Organizations should let people plan their work according to their *needs and body rhythms*, instead of insisting on standard 9-5 hours. For example, a working mom might prefer to spend the mornings with her children and work later in the day. People also have different peak productivity times.

KEY QUOTES

"Remote working is not for everyone, and it takes a particular skill set and abilities to work independently at home."

"By being aware of your feelings, you have the power to change your emotional reactions to situations."

"The more strategies you have at your disposal, the more emotionally agile you will become."

"How might the employees' experience in your organization change if all your people had more autonomy to create their own schedules?"

Prioritize your tasks by urgency and importance. Then, focus on the most important tasks that contribute the most to your goals.

Set aside time for deep work. Cal Newport describes deep work as focusing 100% on a complex task, without distractions. This enables you to learn faster and produce better results. By contrast, shallow work, involves tasks that don't need much concentration, such as responding to emails.

- *Individual level*: If you're more focused and energetic in the mornings, then dedicate mornings for deep work and schedule meetings later in the day.
- *Team level*: Dedicate time for team brainstorming, problem-solving, and planning.

Incorporate wellness into your routine.

- Research shows that productivity drops significantly after 50 hours of work per week. Take *frequent, high-quality breaks* to improve productivity and prevent burnout. Make sure you include activities that refresh and de-stress you.

Establish healthy boundaries to improve productivity and to switch off from work without guilt.

- Wellness is different for everyone, so *identify the boundaries* that you need. These could include physical boundaries (e.g. a designated workspace), or mental-emotional boundaries (e.g. setting pre-determined work hours and having uninterrupted time for focused work).
- *Communicate and enforce these boundaries* with colleagues. Create a safe space where team members can discuss boundary concerns openly.

Establish a routine for the start and end of each workday.

- Create a *start-up routine* to energize yourself before work, e.g. meditate, exercise for 5 minutes, or enjoy a cup of coffee.
- Establish a *wind-down routine* to relax and switch off from work, e.g. faking a commute, writing down your end-of-the-day thoughts, or watching your favorite program.

KEY QUOTES

"How you manage and prioritize your tasks can be the difference between feeling overwhelmed...and being effective at getting your work done."

"There's a difference between working remotely and being genuinely effective at remote working."

"The key to successful remote working in any team and for any individual is understanding how to leverage the flexibility of remote working."

"If nobody considers the fundamental right to disconnect from work, nobody has the opportunity to disconnect."

"Defining and setting your boundaries provides you with a set of rules to operate by and tells others how you'd like to be treated."

- *Reflect on your work habits and routine* to keep refining them. Consider what went well, what didn't go well, and what you should do differently. Keep what works, and adjust what doesn't.

Addressing Burnout as an Organization

Burnout is a systemic issue that requires organizational changes and support. It cannot be resolved at an individual or talent management level alone.

- To understand the full impact of burnout, companies should *measure its effects* on absenteeism, stress-leave, turnover rates, and productivity issues.

Address Key Reasons for Burnout

A Gallup survey identified 5 key reasons for burnout at work.

Unfair treatment: Discrimination, harassment, and bullying contribute to burnout. Employees are 2.3x more likely to experience burnout if they feel unfairly treated at work.

- Establish clear policies against *unfair treatment* such as offensive comments, unfair demotions, or gender bias. Use FAQs and examples to ensure employees understand these policies and the support available.

- Address *proximity bias*, which occurs when employees in the office are seen as more effective/committed than remote workers. Educate leaders and encourage them to work remotely to understand team members' work conditions. Ensure remote workers receive the same information and perks as in-office employees.

Excessive workload leads to poorer performance, decreased confidence, and more stress.

- *Distribute work fairly* and set limits on temporary surges in work.

- *Focus on output* or results, not input or time spent working.

KEY QUOTES

"The actions of organizations have a greater impact on the reduction and prevention of burnout than any one individual can make on their own."

"The true cost of burnout should be presented in ways that speak both to the heart and the head."

"Consider a high-performing culture that promotes and only recognizes achievement and results."

- Create a *safe environment* where employees can discuss workloads without fear of negative consequences.

Role ambiguity: Without clear roles and responsibilities, employees can feel confused, stressed, and overworked.

- Do a *comprehensive onboarding* for new hires, with a complete digital guide and resources. Set clear expectations, including: their responsibilities, what success in the first 30 days looks like, and how they contribute to company goals.
- Facilitate virtual introductions with other team members, and pair new hires with experienced employees for a few months.
- Hold regular *1-1 meetings* to clarify roles/expectations in face of changes in the work environment.

Lack of managerial support: When leaders are overloaded, they can't effectively support or connect with their team members.

- Limit the *number of direct reports* to a manageable number (ideally less than 7).
- *Reduce non-essential tasks* to free up leaders' time for coaching and supporting their teams.
- *Train leaders on critical skills* like emotional intelligence, active listening, and coaching.

Too many unrealistic deadlines can create a snowball effect, where a delay on 1 project affects all other projects.

- Set *achievable goals and timelines* together with employees. Consider if other tasks should be re-prioritized or delegated.

Develop a Healthy Work Culture

Remote work is becoming increasingly prevalent. To attract and retain top talent, you need a healthy work culture.

- Many *employees prefer remote work* for flexibility and global opportunities. A Flexjobs survey found that 65% of employees prefer remote work, and 58% would look for new jobs if they're required to return to the office.

KEY QUOTES

"It is ambiguity that leads to confusion, self-doubt and overworking in remote teams."

"Employee burnout is preventable, not inevitable, because burnout isn't a personal failing, it's often a sign that an employee isn't receiving adequate support."

"If everything is urgent, then nothing is urgent."

"In a candidate-driven market, having a good reputation as an employer has become key to attracting great new employees."

- Remote work also *gives companies access to a broader talent pool*. However, to attract and retain top talent, you need a strong culture and reputation, and to hire and manage remote workers effectively. High stress and burnout can lead to high turnover and loss of talent.

Hire remote workers with emotional intelligence (EQ) and self-management skills, then equip them with the skills and space to succeed.

- Remote workers need *self-awareness and self-management skills* to manage their schedules and interactions effectively. Look for EQ, adaptability, and independence during your hiring process. Ask questions like: "Describe a situation where you admitted to being wrong and how you handled it" or "How do you maintain relationships remotely?"

To build a healthy work environment:

- Develop a *purpose-driven work culture*:

  (i) Help employees understand the purpose behind their work, to improve engagement and reduce the risks that they will burnout or quit.

  (ii) Involve employees in CSR activities aligned with their values and the organization's mission.

- Balance between *excellence and employee wellbeing*:

  (i) Respect employees' right to disconnect, and encourage them to take breaks and vacations after periods of intense work.

  (ii) Implement policies like meeting-free days or communication-free afternoons.

- *Create flexible work arrangements*: Allow employees to choose their work hours and location. Consider a 4-day workweek, which has been found to reduce stress and improve work-life balance.

- Adopt a *growth mindset*: Continuously improve company culture by collecting employee feedback and addressing unmet needs to keep them happy and healthy.

KEY QUOTES

"Your culture will eat any strategy for breakfast"
—Peter Drucker

"All the boundary building in the world won't help your team members all that much if your organization doesn't have a culture and policies that support their efforts."

"The pay cheque is essential, but the purpose is critical."

"Often, it's not about what organizations do but how they do it....Ebbs and flows are a natural cycle on this planet...so why do some organizations expect their teams to perform at 100 per cent all day, every day?"

"Changing culture requires changing mindset."

Optimize Processes for Remote Teams

Remote workers are often so busy with back-to-back meetings, messages, and "Zoom fatigue" that they have no time/energy for creative work or "me-time". Adopt remote-first processes:

- Design processes (e.g. project management, communication, and performance evaluation processes) for remote teams, then adapt them for in-office settings.

Clear communication is essential for trust and engagement, especially for distributed teams.

- *Synchronous communication* occurs in real time, such as video calls or face-to-face meetings.

  (i) Hold such meetings only if necessary. Set clear objectives and expected outcomes for each meeting, keep them short, and include only essential participants.

  (ii) Start and end meetings on time, and avoid scheduling meetings back-to-back.

- *Asynchronous communication* involves delayed responses, such as email or instant messaging tools. This allows for more thoughtful responses, and it's generally more viable for distributed teams with members from different time zones.

  (i) Set clear communication guidelines for the use of Slack, email, or other tools. Generally, it's better to over-communicate by providing all details upfront—including task urgency, expected response times, required actions, and relevant materials—so no clarifications will be required.

  (ii) Be mindful of tone, time zones, and off-hours. Team members should use "Do Not Disturb" statuses as needed.

  (iii) For complex discussions, consider a short call/meeting, then record and share the details to avoid information being lost in message chains.

- *Tailor your mix* of synchronous and asynchronous communication to suit your team's needs.

  (i) Co-create shared practices with team members for ownership and sustainability.

KEY QUOTES

"The difference between companies that succeed at their remote team processes and those that don't lies in their openness and ability to create new processes based around how a remote team operates remote-first processes."

"Meetings are fundamental to the success of remote teams, but they need to be of high quality."

"The autonomy that comes with working remotely and primarily alone means we should be tapped into ourselves as individuals to make better decisions that promote our overall wellbeing."

(ii) Where possible, choose flexible (async) communication over real-time meetings, and written communication over verbal ones.

(iii) Regularly consider what you should start, stop, or continue doing as a team.

Addressing Burnout as a Leader

Leadership impacts 70% of employee engagement. It's crucial to equip leaders with the right skills and resources to manage people effectively.

Build Trust and Psychological Safety

Leaders must know the differences in managing remote teams and office-based teams.

- An office setting offers lots of *opportunities for casual interactions*, like a spontaneous chat with a colleague in the office pantry. These help to build personal connections between team members beyond their work roles. Such opportunities are missing in a remote setting, so leaders should intentionally create virtual coffee chats or other bonding opportunities.

- It's easier for leaders to notice signs of stress and burnout in the office, where they can observe team members' *mood shifts and body language*.

  (i) In remote settings, use video calls to observe non-verbal cues like posture, eye bags, or fidgeting—which are potential signs of stress or overwhelm.

  (ii) Ask about their wellbeing if you notice any red flags. Don't wait for the "right time" to raise issues.

Build psychological safety: Create an environment where people feel safe to discuss challenges and share opinions openly.

KEY QUOTES

"We can better build empathy towards our colleagues by finding common ground and interests outside of just working together as a team."

"As a remote leader, you must...go the extra mile in terms of proactive communication and acknowledgement."

"Trust is an aspect of leadership that we often overlook. We can't quantify it, but it accelerates growth in all that we do, both in business and in our personal lives."

- *Engage everyone*: During meetings, invite each person to speak through voice or chat. Quieter members can share their thoughts through images or GIFs.

- *Listen actively*: Give your full attention during discussions. Turn off notifications and close other tabs.

- *Invite participation* by asking open-ended questions like, "What questions do you have right now?" instead of close-ended questions like "Do you have any questions?" Pause to give time for responses.

- *Discuss expectations openly* to build trust, understanding, and cooperation. Define working methods, problem-solving strategies, success metrics or outcomes. Accommodate different communication preferences, e.g. some people prefer to text, while others prefer a brief chat before discussing work.

- *Hold regular 1-1 meetings* to support/coach team members on task prioritization and performance management, and to create a safe space to address misunderstandings or conflicts. Aim for at least 45-minute sessions every 2 weeks.

KEY QUOTES

"We...want to hold space and to create safety for the people we work with to speak up when they need to."

Provide Emotional Support for Team Members

Leaders can **reduce emotional exhaustion** by providing clear roles, predictable work conditions, and meaningful tasks.

- *Role clarity*: Ensure team members know what to do, especially during times of change. People are less prone to burnout when they're clear on their responsibilities.

- *Predictability*: Guide team members through changes.

  (i) Use 1-1 conversations to explain why changes are necessary and beneficial, and to address questions or concerns. Keep the communication lines open with regular updates and discussions.

  (ii) Share personal experiences to build trust and encourage open discussion.

- *Meaningful work*: Employees are more engaged and less likely to burnout when they know that their work matters.

"A problem shared is indeed a problem halved. If we can reduce the outcast beliefs that we hold about ourselves when we're going through a challenging time as a professional, we have started to solve the problem."

(i) Clearly define tasks, outcomes, and their significance.

(ii) Set realistic deadlines, and re-prioritize existing tasks if required. Agree on how to communicate progress and address problems. Clarify how much autonomy each person has to make decisions.

(iii) Create a team culture of recognition. Regularly celebrate efforts and achievements via praises, notes, or shout-outs.

Organizations should provide support, systems, resources, and recognition, to help leaders perform such emotional-support roles more more effectively.

- Leaders can also *build support networks* by developing connections between team members, or nurturing new relationships to enhance collaboration.

Guide Teams Through Effective Coaching

Coaching helps team members to identify professional issues and solve problems. Effective coaching begins with leaders' understanding of themselves, including their own perceptions, beliefs, and biases.

- Use personality assessments to help leaders deepen their *self-awareness*. Then, encourage leaders to set specific goals for leadership development based on their personality test results.

Here are several tips for effective coaching:

- Don't fix team members' problems for them. *Empower problem-solving* by helping them to reflect on the problem, explore options, and arrive at their own solutions.

- When a team member approaches you with a problem, *seek permission* to coach them. For example, say, "I'd like to try some coaching with you to explore possible solutions. Are you open to that?"

- *Engage fully*: Set up a video call with cameras on, and listen fully for both verbal and non-verbal cues.

- Use *questions* to guide your team member:

KEY QUOTES

"If organizations fail to support their leaders in emotional labour it can lead to stress, depersonalization and other emotional outcomes like lower job satisfaction."

"What's...important is that companies...offer leaders the support that they need when dealing with more emotionally exhausting issues and help them be recognized for this type of work, rather than just the output of their work."

"Too often, leaders are trying to support and coach their team members to help them reach their full potential without necessarily doing that for themselves first."

"Instead of providing fixes, coaching helps individuals reflect on their own ideas and solutions and reality-test them out loud in a supportive environment."

"As a leader, you'll want to actively listen to what's being said, and what's been communicated through the unspoken–body language, eye contact, facial expressions and posture."

(i) Clarify the problem by asking questions like, "What specific tasks or factors are making you feel this way?" Guide them to identify the root causes, by thinking back on when/why the problem first started.

(ii) Encourage ownership: After identifying the problem, ask them to suggest the next steps. For instance, "Based on our discussion, what do you think is the most important next step and why?"

(iii) End the session by inviting them to summarize the discussion and action steps. Discuss any support they might need, and set a follow-up date to check on their progress.

Role-Model Healthy Behaviors

Leaders' actions set the standard for team members. One of the best ways to address burnout is for leaders to role-model the healthy behaviors they want to see in their team.

- Don't forget to *address your wellbeing as a leader*. Ask yourself: How do I recognize burnout symptoms in myself? What actions can I take to address such symptoms? What support is available to me? How can I set a positive example for wellbeing at work?

Here are several ways to role-model healthy practices:

- Taking *regular breaks* throughout the workday, and *disconnect fully* from work during off-hours. Log off from all work technology to show it's ok to be unreachable.
- Share wellbeing *practices and habits* that you find useful while working remotely.
- Offer glimpses into your life and *values outside of work*.
- Don't be afraid to take breaks or vacations. Demonstrate how to handover important projects and meetings in advance, and prepare team members to handle the work in your absence.

KEY QUOTES

"As a coaching leader, it's your responsibility to be open to all possibilities in terms of root cases and to rule nothing out."

"To lead by example means to guide others through your behavior instead of your words."

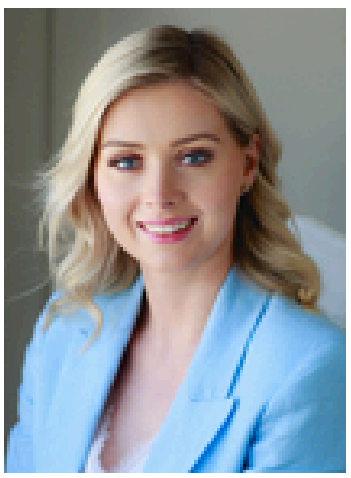
"To create a healthy team, you need to feel healthy yourself."

"Leaders can't pour from an empty cup–meaning if they are trying to support their team without supporting themselves, they risk burnout."

Other Details in the Book to Look out For

Remember: organizations flourish when employees thrive. This book includes many examples, case studies, detailed tips and best practices for managing burnout, especially for remote workers. It covers details for various interventions at individual, organizational, and leadership levels. For more details, please visit www.shaunamoran.com.

About the Author



Shauna Moran is an author and leadership coach who specializes in preventing burnout and improving organizational health. She founded Operate Remote, a consultancy firm that develops remote and hybrid work strategies for companies. Focusing on team performance and employee well-being, Shauna offers practical insights for leaders to foster supportive work environments.

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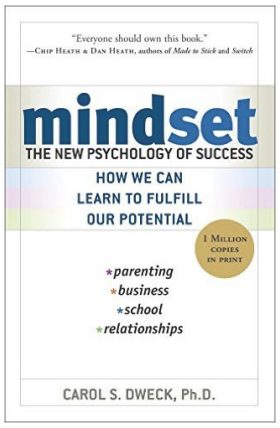
KEY QUOTES

"Never underestimate the power of making small incremental changes for yourself, your team or your wider organization towards the prevention and management of burnout."



MINDSET

The New Psychology of Success

CAROL S. DWECK, PH.D

The Big "So What"

Your mindset—how you see yourself—shapes how you respond to people and events, to affect your outcomes. In this book, Dweck draws on 20 years of research to explain how you can recognize, understand and change a fundamental mindset to impact all aspects of your life.

Growth vs Fixed Mindset

The Power of Mindsets

Why do some people fall apart in face of setbacks, while others turn their failures into success? Why are some people obsessed about proving themselves, while others can laugh at and learn from their mistakes? The key difference is in their mindset.

Dweck found that there's a fundamental difference in mindset—**growth vs fixed mindset**—that explains many success factors, such as resilience, self-belief, and the willingness to take risks and strive for excellence.

- The *fixed mindset* is the belief that your qualities *cannot* be changed. Since you believe these qualities are a permanent part of who you are, you feel the need to constantly prove yourself.

- The *growth mindset* is the belief that your qualities *can* be changed and nurtured through effort. You believe that people may be born with different gifts, interests, or

KEY QUOTES

"Changing people's beliefs—even the simplest beliefs—can have profound effects."

"The passion for stretching yourself and sticking to it, even (or especially) when it's not going well, is the hallmark of the growth mindset."

temperaments, but everyone can change and grow through experience and practice.

Indeed, **mindsets aren't permanent and can be changed,** i.e. you can choose what you believe. You're likely to have a *mix of both mindsets*, but skew toward one of them. You also don't have the same mindset *all* the time. For example, you may have a fixed mindset toward your personality but a growth mindset toward your abilities.

Mindset → Definition & Approach to Success

Learning vs Validation:

- People with a fixed mindset define success as being perfect, mistake-free, smart or right. The focus is on *validating* themselves. However, those with a growth mindset believe they are successful so long as they're improving. This frees them to focus on *growth*.
- As babies, we weren't afraid to fail or make mistakes. However, as we grow older, we start to worry about *how others think of us*; we want to appear smart and successful, and avoid situations where we look bad. Returning to a growth mindset means refocusing on stretching ourselves to become smarter and better, rather than just appearing to be so.

Stretching vs Certainty:

- People with growth mindsets thrive when they *embrace challenges*. They seek to *learn from others* who are better than them or can push/help them to grow. They love experiences that stretch them, and are driven by a desire to push their boundaries—so much so that they sometimes achieve the impossible.

- On the other hand, people with a fixed mindset thrive when they are in their *comfort zone*, and feel certain of their success. They're interested only when they see results, and lose interest when things don't work out predictably. Hence, they tend to surround themselves with people who make them feel/look good, and prefer tried-and-tested activities that validate what they're confident or good at.

KEY QUOTES

"Mindsets are just beliefs. They're powerful beliefs, but they're just something in your mind, and you can change your mind."

"It's not about immediate perfection. It's about learning something over time: confronting a challenge and making progress."

"If you're somebody when you're successful, what are you when you're unsuccessful?"

"People in a growth mindset don't just seek challenge, they thrive on it. The bigger the challenge, the more they stretch."

Ability vs Learning. Your potential depends on your ability to develop new skills, and cannot be measured by a test.

- Unfortunately, people with fixed mindsets allow themselves to be limited by *test scores and evaluations* that supposedly tell them what they can achieve. Or, they may use tests and success symbols to prove that they are special.

- Those with growth mindsets know that they're only limited by their *willingness and ability to learn*. They constantly seek out opportunities to grow and stretch themselves. That's why many ordinary or even underperforming kids can grow up to become outstanding artists, sportspeople or scientists.

Identifying & developing potential. There's nothing wrong with having self-confidence and belief. The danger comes when you feel you're entitled to success because you're special, or when you define your self-worth by your achievements. When you do so, you'll start to fear losing this sense of specialness.

- Marina Semyonova (a renowned Russian dancer and teacher) identified potential and selected her students by observing how they handled feedback during their trial period.

- NASA prefers candidates who have bounced back from massive failure, over those who have a track record of only successes.

Those with a growth mindset generally have a **more accurate self-assessment** of their strengths and limitations. Since they believe they can improve in any area, they focus less on inflating their abilities to feed their ego. Instead, they more *objectively assess* their current abilities so they can identify exactly what/how to improve.

Mindset → Definition & Approach to Failure

When things go wrong, everyone feels bad to some degree. The difference is in how we respond.

- People with a *fixed mindset* allow the failure to define them permanently ("I'm a failure"). They may blame themselves, throw up their hands and decide there's nothing they can

KEY QUOTES

"An assessment at one point in time has little value for understanding someone's ability, let alone their potential to succeed in the future."

"The fixed mindset does not allow people the luxury of becoming. They have to already be."

"There (are) two meanings to ability, not one: a fixed ability that needs to be proven, and a changeable ability that can be developed through learning."

do. Or, they may try to protect their image by hiding their deficiencies, finding blame or excuses. Since they believe their abilities are fixed and nothing helps, they're more likely to give up or get depressed.

- Those with a *growth mindset* may also feel upset, but they see the mistake as an incident and a problem to be overcome ("I failed this time"). They try to identify their shortfalls, confront the challenges, and seek alternative routes to success.

If you **deny your mistakes**, you can't learn from them. In a study, college students with growth mindsets took reference from (and learned from) other students who did better than them. Students with fixed mindsets tried to make themselves feel better by looking at others who fared worse than them, and/or find excuses.

Negative labels and stereotypes affect everyone, but are especially damaging to people with fixed mindsets.

- Women with *fixed mindsets* (and are aware of the stereotype that "women are bad at math and science") tend to perform worse than their male counterparts. They also tend to drop out of math and science as they feel they don't belong.

- Those with *growth mindsets* tend to be less affected by negative labels and stereotypes, as they see them more objectively and they believe they can overcome any disadvantages.

Mindset → Attitude Toward Effort

Talent vs Effort:

- Many of us *associate effort with inferior ability*. Think of the fable "The Tortoise and the Hare", which teaches us to put in more effort if we lack the natural abilities. If you have a fixed mindset, you may actually be *afraid* to put in effort since (a) you think the need to work harder means you're not "special" enough, and (b) you're silently worried that your best effort may be inadequate.

KEY QUOTES

"When you're given a positive label, you're afraid of losing it, and when you're hit with a negative label, you're afraid of deserving it."

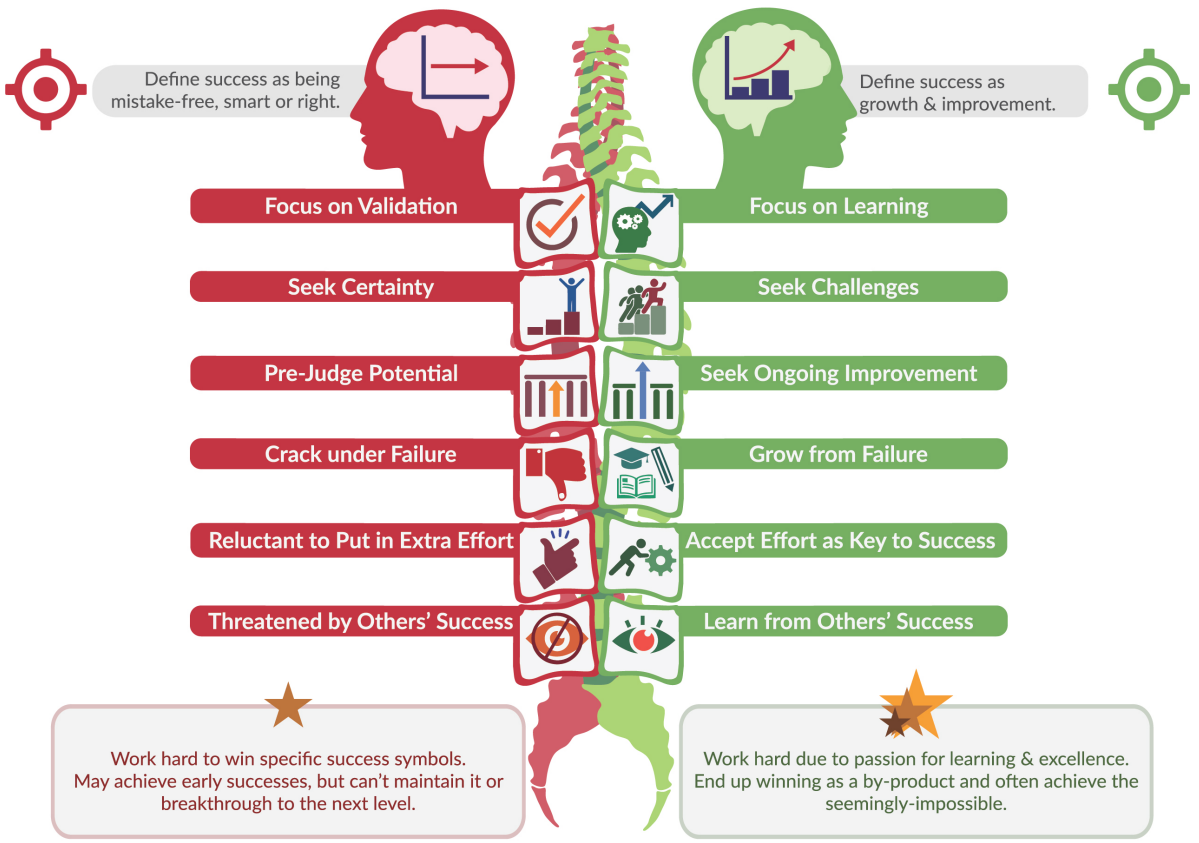
"A growth mindset helps people to see prejudice for what it is—someone else's view of them—and to confront it with their confidence and abilities intact."

"From the point of view of the fixed mindset, effort is only for people with deficiencies."

- *Effort is crucial to success*, regardless of your level of talent. Most "geniuses" accomplish what they do through years of hard work, e.g. Mozart produced his first famous pieces only after 10 years of practice and composition. Inventions are not a flash of brilliance, but the result of a series of discoveries that make a breakthrough possible.

There's nothing wrong with the **desire to win**; the issue is whether winning is a means or an ends. People with a fixed mindset tend to put in hard work only to achieve a specific outcome (e.g. to win an award or get to a certain position). People with a growth mindset are driven by their passion for excellence, and end up winning as a result of their growth.

Here's a recap of the 2 mindsets:



KEY QUOTES

"The lightbulb has become the symbol for that single moment when the brilliant solution strikes, but there was no single moment of invention."

"Many growth-minded people didn't even plan to go to the top. They got there as a result of doing what they love."

Mindset in Parenting and Education

Messages about Success

Parents and teaches often praise children with the good intention of motivating them. However, praises are a double-edged sword—they can build confidence or encourage fixed mindsets.

As a **rule of thumb**, don't praise for abilities or talents; instead, praise for processes (strategies, effort, and choices).

When children are **praised for their abilities** or given positive labels like "talented", "gifted", or "smart", it cultivates a fixed mindset.

- It creates stress to *meet expectations*, and they start to doubt themselves if they don't. They may also get the wrong message that they're loved only because of their talent or intelligence.

- Research found that ability-praised students began to *avoid challenges* that may reveal their flaws, and enjoyed challenges less. After facing setbacks, they performed worse, even when they were given easier problems. In fact, 40% of these students were ashamed of their low scores and lied about them.

A better way is to **praise for effort and approach**.

- Affirm children's *love for learning*, effort, strategies and tenacity in handling challenges. For example, you can say, "That was such a challenging project. I really admire how you stayed focused and tried creative ways to get it done."

- Students who were praised for their effort were motivated to take on new challenges, and *kept learning and improving.* They also enjoyed the challenges more.

KEY QUOTES

"Praising children's intelligence harms their motivation and it harms their performance."

"Telling children they're smart, in the end, made them feel dumber and act dumber, but claim they were smarter."

"Having innate talent is not a goal. Expanding skills and knowledge is."

Messages about Failure

When kids make mistakes, how parents and teachers respond will also shape their mindset and future outcomes.

Avoid giving **negative labels or excuses.**

- Don't *attribute failure to abilities* e.g., "He's so useless" or "She's just not as smart as her brother".

- Don't *protect them from the failure*, e.g. blame circumstances, brush off the mistake as unimportant, or assure them they'll win in the future because they're talented or the best.

It's better to **give constructive feedback** so they know how to learn from the failure and improve. For example, you can say, "I loved the effort you've put in for this test. Now, let's figure out the parts that you didn't understand." Reassure the child before a test/performance that you'll be proud of them for their learning and effort, regardless of the outcome.

Harsh judgement and punishments tend to backfire. The worst message you can send to your kids is that they're only loved if they succeed on your terms.

- Children who were *punished* as babies for crying and fussing tend to become angry with (or even abuse) other children who cry. Those who're punished for disobeying their parents (without explanation) don't learn how to diagnose and solve problems.

- You can *say "No" fairly and respectfully*, by sharing your decision-making process. Even if the child is clearly not putting in effort, you can express your frustration gently, e.g., "I feel disappointed that you're missing this chance to learn. Shall we see how to do this better in the future?"

KEY QUOTES

"Growth-minded parents… set high standards, but they teach the children how to reach them."

"Don't judge. Teach. It's a learning process."

Education, Teaching and Coaching

Mindsets affect teachers and coaches, as well as the students and trainees in their charge.

In **education**, you shouldn't lower standards just to let students score, nor should you raise standards without providing the support for students to reach them.

- *Great teachers* set high standards and teach students how to achieve the results. They take an interest in all their students, rather than pre-judge them and focus only on the achievers. They make a difference because of their love for learning, and their genuine passion to learn together with their students. They use a growth framework and give process-related feedback.

- Marva Collins successfully transformed many "*problematic students*" who were discarded by other schools. She believed in the children, took pride and joy in their learning, and gave

"Teachers with the fixed mindset know which students to give up on before they've even met them."

"The great teachers believe in the growth of the intellect and talent, and they are fascinated with the process of learning."

"Growth-minded teachers tell students the truth and then give them the tools to close the gap."

them a challenging learning schedule and materials. The children rose to the challenge and were motivated to learn.

- Just because a student *seems indifferent* doesn't mean he/she doesn't care. Dweck shares an example of a student who refused to cooperate and even ripped up his assignments. Once the teacher showed that she wasn't judging the student, but was genuinely interested in his learning, he started to make a shift.

Parents and teachers can mould children's mindsets, while **coaches** affect their players' or trainees' mindsets and results. For instance:

- *Fixed-mindset* basketball coach Bobby Knight only cared about his players' results; when they failed, he was harsh and even shamed them publicly. This worked for some players, but caused others to lose their passion for the sport.

- *Growth-mindset* coach John Wooden didn't demand his team to be mistake-free or win all the time. Instead, he gave equal respect to all his players, and pushed them to give their best effort each time.

Mindset in Sports

Natural Abilities vs Growth Mindset

In sports, many people associate natural talent with visible physical attributes, when the true differentiator is in the mind. Dweck presents many examples of sportspeople who made it to the top by using the growth-mindset to overcome disadvantages and short-term failures.

Mohammad Ali didn't have the "natural" physique of a boxer, but he made up for it with speed and mental sharpness. Michael Jordan was rejected in college and the first 2 NBA teams he applied for, and became a basketball legend from hard work and self-improvement. These are examples of the **growth mindset** at work.

KEY QUOTES

"As parents, teachers, and coaches, we are entrusted with people's lives…the growth mindset has a key role to play in helping us fulfill our mission and in helping them fulfill their potential."

"You may be outscored but you will never lose."
- Coach Wooden

"As much as our culture talks about individual effort and self-improvement, deep down…we revere the naturals."

On the other hand, tennis player John McEnroe regularly bragged about being #1, and found excuses when he lost. People like him and Billy Beane were successful earlier in their sporting career, but their **fixed mindset** eventually worked against them.

Character: The Vital Ingredient

Character is essential in sports—it's the ability to dig deep, find your strength and keep going in face of setbacks. It determines if you can make it to the top and stay there. It decides if you crack in face of failure or persevere to make a comeback. Character is built on the growth mindset; Dweck calls it the "mind of a champion".

You can **identify someone's mindset** from what they say. Basketballer Iciss Tillis reveals her fixed mindset when she says, "I just feel like I'd be such a failure…and I'm going to end up like my dad: a nobody." Candace Parker shows her growth-minded thinking when she says, "If you work hard at something, you get out what you put in."

Attitude toward success: Champions like John Wooden, Tiger Woods, and Mia Hamm care about winning, but they focus on pushing themselves to be the best they can be. They see winning as a by-product of being their personal best, unlike others like McEnroe who see winning as a way to affirm their superiority.

Attitude toward failure: Growth-minded athletes treat setbacks as a wake-up call and an opportunity to learn, like how Michael Jordan kept persevering in face of failure. Fixed minded athletes are poor losers—McEnroe was so humiliated from losing a match that he didn't play mixed doubles for 20 years, and Sergio Garcia fired his caddies and blamed others when he performed badly.

Staying at the top: Those with a growth mindset (e.g. Michael Jordan, Tiger Woods) keep working on themselves, thus continue to perform even as they age.

Star mentality vs team-player. All sports are essentially team sports—even swimmers must be supported by a team of trainers, nutritionists etc. Fixed-minded athletes love the spotlight and being superheroes, while growth-minded

KEY QUOTES

"Just because some people can do something with little or no training, it doesn't mean that others can't do it (and sometimes do it even better) with training."

"I've missed more than nine thousand shots. I've lost almost three hundred games. Twenty-six times, I've been trusted to take the game-winning shot, and missed."
- Michael Jordan

"A superstar's talent can win games, but it's teamwork that wins championships."

athletes understand that being a star-player is really about playing their role well.

Mindset in Business and Leadership

Mindset and Business Management

Growth mindsets can help companies to thrive while fixed mindsets lead to their downfall.

Examples in business. Enron's focus on big talents led to an elitist culture, with a fixed mindset and tendency to deny deficiencies, leading to its demise. On the other hand, Jim Collins found that good companies that became great had a common success factor—they had humble, hardworking leaders who focused on improvement rather than the limelight.

Mindsets affect **management decisions.** In a study, participants were split into 2 groups and tasked to run a simulated company. One group was told that their performance was measured by their capacity (fixed mindset), while the other group was told to develop management skills (growth mindset). Both groups couldn't meet their targets initially. However, the growth mindset team could learn from their mistakes and kept improving, while the fixed mindset team was too bogged down by their fixed abilities to learn.

Mindset and Leadership

Fixed mindset in leadership. Leaders with fixed mindsets (e.g. Lee Iacocca, Albert Dunlap) use their companies as a vehicle to validate themselves.

- *Star CEOs* with big egos believe they and their companies are superior. They focus more on their image and on displaying their superiority, than on tackling the tough problems in the company.

- The "*CEO Disease*" can affect leaders at all levels. Due to their desire to be seen as heroes, such leaders focus on short-term strategies that make them look good, surround themselves

KEY QUOTES

"Just about every sport is in some sense a team sport. No one does it alone."

"A company that cannot selfcorrect cannot thrive."

"People who preen their egos and look for the next self-image boost are not the same people who foster long-term corporate health."

"Fixed-mindset leaders… must repeatedly affirm that they are superior, and the company is simply a platform for this."

with worshippers, and lose touch with reality. Fixed-minded leaders also tend to be defensive, controlling, or put others down. As the people around them start to behave the same way, the disease spreads.

Growth mindset in leadership. Growth-minded leaders (e.g. Jack Welch, Lou Gerstner, Ann Mulcahy) focus on growing themselves, their people and their companies.

- They understand the need to address weaknesses for *long term success*, even if that means getting criticized in the short-term.

- For example, *Jack Welch* always made time to meet with his front-line employees. He believed in mentoring, focused on teamwork rather than superstars, selected people with the passion for growth and excellence, and removed "brutal bosses". Although Welch also became overconfident and made mistakes at times, he used these as lessons and wake-up calls.

Growth mindset can be learned:

- *Cultivate a growth mindset* in your organization by: (a) finding *managers* with a growth mindset, (b) *training* people in mindsets and communication/mentoring skills, and (c) creating a *conducive environment* where people can thrive—through constructive feedback, the belief that skills can be learned, seeing managers as learning resources, and knowing the organization values learning and perseverance.

- Dweck's *"Brainology" workshop* helps people to understand how the brain works, how abilities can be developed through coaching and practice, and how they can develop themselves and others.

KEY QUOTES

"Jack Welch was not a perfect person, but he was devoted to growth. This devotion kept his ego in check, kept him connected to reality, and kept him in touch with his humanity."

"The lesson is: Create an organization that prizes the development of ability—and watch the leaders emerge."

Mindset in Relationships

Mindset and Love Relationships

At some point in our lives, all of us are hurt by others. Our mindset determines if we can deal with heartaches and disappointments, or

stay permanently scarred. This is because our mindset determines our beliefs about (a) our qualities, (b) our partner's qualities, and (c) the relationship's qualities.

People with **fixed mindsets in relationships** believe that they, their partners and the relationship cannot change. Thus, they:

- Assume that if they're meant to be together, they'll understand each other and agree on everything. When things go wrong, they get disillusioned that things *will never improve;*
- *Give themselves labels* like "unloveable", "unworthy". When things go wrong, they feel judged or rejected, lash out or blame themselves/their partners, rather than seek understanding and solutions; and
- Tend to *compare and compete* with their partners to see who's smarter, more popular etc.

People with **growth mindsets in relationships** believe that they, their partners and the relationship can change. Thus, they:

- Focus on the issues, choose growth and understanding, and *learn from bad experiences*, so they can improve the relationship; and
- Understand the importance of *putting in effort*, learning to communicate and work through differences.

Mindset and Other Relationships

Friendship. People with fixed mindsets may unintentionally use their friends for validation and to offload their issues. They areusually ready to offer advice for their friends' problems, but are less interested if their friends are doing well. If others don't feel good or validated around you, problems will emerge in the relationship.

Shyness can be found in people with fixed or growth mindsets. However, studies found that those with fixed mindsets tend to remain socially-impaired, while those with growth mindset

KEY QUOTES

"Mind reading instead of communicating inevitably backfires."

"There are no problem-free candidates. The trick is to acknowledge each other's limitations, and build from there."

"Ego-wise, it's easy to be sympathetic to someone in need. It's your assets and your successes that are problems for people who derive their self-esteem from being superior."

"The belief that partners have the potential for change should not be confused with the belief that the partner will change."

are more likely to overcome their shyness by learning new social skills.

Social-emotional skills can be learned. Most relationship issues stem from communication problems rather than character flaws. For things to change, there must be *motivation and commitment* to take concrete actions. This starts with a willingness to focus on what the other party wants, so they feel you're trying to help them to reach their goals (rather than change them into what *you* want).

Changing Mindsets

In the book, Dweck shares many stories to show that mindsets can be learned and changed. However, the key message is not that fixed mindsets are bad and growth mindsets are good; it's about creating awareness of the 2 mindsets and their impact, so you can make a **conscious choice**. Having a growth-mindset doesn't mean that you must change everything or seek perfection. It's about accepting where you are—with your imperfections—and removing artificial constraints so you can decide if/what changes to make in your best interest.

Getting Started

If you decide to make the shift, here are some steps and tips that you can use to get started:

Be aware of your mindset(s): Use this questionnaire to identify which mindset you're skewed toward. Do you have a different mindset toward different aspects of your abilities or personal qualities?

Reflect on the impact of fixed vs growth mindsets:

- Think of *people who have growth vs fixed mindsets*. Do they try to grow/challenge themselves, or prove/defend themselves. Why and how do they do that?

- Research on *someone you admire*—you're likely to discover how much work they've put in to achieve what they did.

KEY QUOTES

"The growth mindset is a starting point for change, but people need to decide for themselves where their efforts toward change would be most valuable."

- *Imagine facing a big challenge* where your success/failure is visible to all. How will you feel and act with a fixed mindset vs a growth mindset?

Know that you can choose and change your mindset.

- List down *what you use to judge yourself* (e.g. test results, what people say). Examine them and realize they don't really dictate your outcomes.

- When you're feeling discouraged by a challenge or setback, *take action despite bad feelings*. Focus on what you can learn or do to overcome it. Make a concrete plan, and visualize in vivid detail when, where, and how you'll carry out your plan. Imagine your brain forging new connections as you do so.

- Instead of saying "I can't do that", say "I can't do that yet", and make it happen.

Examine your mindsets in **various aspects of your life**: as a parent, teacher, coach, at the workplace and in your relationships. Consider how you can shift your mindset and nurture growth mindsets in the people around you.

Other Details in the Book to Look out For

The book includes many other anecdotes, examples, and resources such as:

- Examples and studies in schools, sports, and companies;

- Letters from readers on how the book and ideas have helped them;

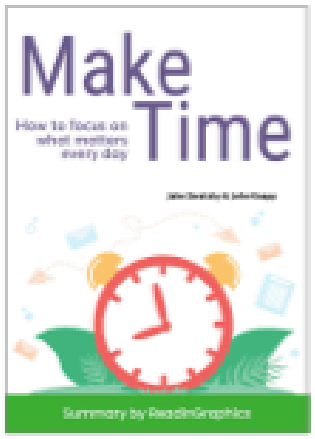
- Tips at the end of each chapter to help you apply or reflect upon the ideas in the book; and

- Detailed scenarios of setbacks that you may encounter, with a walkthrough of the thoughts and emotions you may experience with a fixed mindset, and how to shift to a growth mindset.

For more details and resources, do visit https://mindsetonline.com.

KEY QUOTES

"My work has been about growth, and it has helped foster my own growth. I tis my wish that it will do the same for you."



MAKE TIME

How to Focus on What Matters Every Day

JAKE KNAPP & JOHN ZERATSKY

The Big "So What"

This book is about making time for the things you truly *want* to do. Instead of trying to become more productive or cramming more into your day, change the default way you work and live to truly own your life.

Introduction

People in the 21st century are perpetually busy because of 2 things:

- The "*Busy Bandwagon*" refers to the hectic culture of modern societies. We're expected to respond quickly to everything, from an email to a new project. We keep trying to pack more into our schedule for fear of falling behind.

- Whenever we get a breather, we'll reach automatically for our phones and devices, only to get sucked into "*Infinity Pools*". These refer to apps or platforms with an endless supply of interesting content, e.g. newsfeeds, social media and video games.

- Caught between the Busy Bandwagon and Infinity Pool, we have no time by default. To regain control of your life, you must *reset your default settings*.

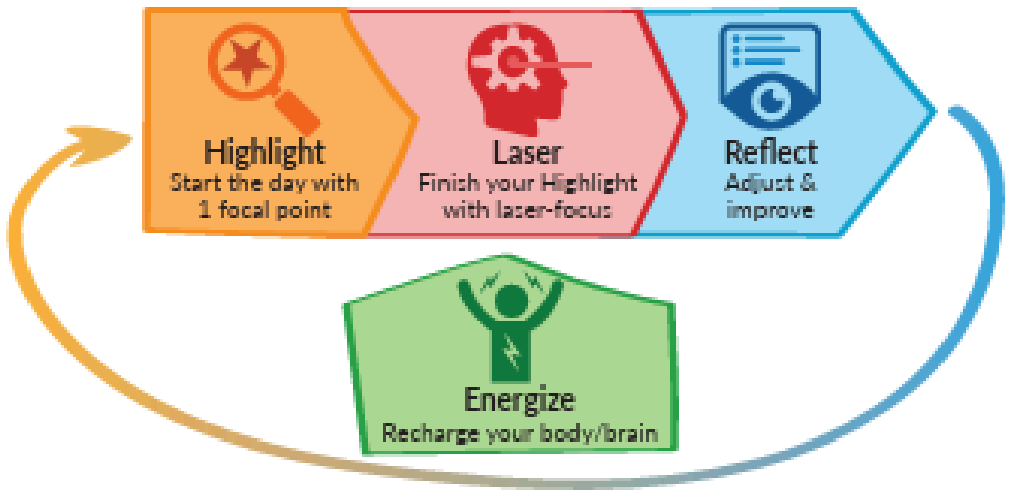
KEY QUOTES

"There is more to life than increasing its speed."
—Mahatma Gandhi

"This is a book about slowing down the crazy rush. It's about making time for things that matter."

The authors (Jake and JZ) are product designers and self-proclaimed geeks who helped to build services like YouTube, Gmail, and Google Hangouts. Realizing how busy and distracted they were, they started to experiment with ways to make time for themselves, and to improve their focus and energy levels. Through their experiments, Jake finally found the time to start writing (something he'd wanted to do since young), while JZ finally started to live his dream of taking long sailing trips with his wife.

- The Make Time formula involves *4 daily steps*: Highlight, Laser, Energize, and Reflect. These were inspired by design sprint principles (an innovation approach invented by Jake), the authors' personal experiments and feedback from readers who tried the approach.



- In the next sections, we'll explain these 4 steps with 87 tactics you can mix-and-match to customize your personal routine. Just choose any of the tactics below, try them out and repeat the process in a *pick-test-repeat* cycle.

  (i) Initially, just try 1 tactic for each of the 4 steps. Then, add new tactics or stick to the ones that work for you.

  (ii) There's no need to be perfect. It's ok to keep changing and refining your system. You may also prefer different tactics for different situations (e.g. when you're in office or traveling).

1) Highlight: Start each day with 1 focal point

Doing more isn't the same as doing what matters. Start by (i) choosing 1 activity to prioritize for the day and (ii) protecting in your calendar.

KEY QUOTES

"Make Time is a framework for choosing what you want to focus on, building the energy to do it, and breaking the default cycle so that you can start being more intentional about the way you live your life."

"Perfection is a distraction—another shiny object taking your attention away from your real priorities."

"Something magic happens when you start the day with one high-priority goal."

Highlights are the bright spots that you look forward to each day. This is an activity, moment or achievement that you can savor when the day is over. It provides a focal point to keep you away from the Busy Bandwagon and the Infinity Pool.

You can choose your Highlight in one of 3 ways.

- *Urgency*: Go for something that's time-critical and must be completed that day. Ideally, the task should be mid-sized and important, e.g. sending a proposal to a customer, or helping your son to finish a school project.

- *Satisfaction*: Choose something you *want* to do, not something you need to do. Ideally, look at projects or activities that are not urgent, because these are the ones you're the most likely to defer indefinitely, e.g. researching your next vacation, or drafting the outline for a novel.

- *Joy*: Go for something you feel like doing that day, e.g. going to the beach, learning a new song on the piano.

Here are some useful points to note:

- *Trust your intuition* and just go with what feels right that day. If it doesn't work out, you can always try something different the next day, or change your highlight mid-day.

- Ideally, pick a Highlight that you can finish in *60-90 minutes*. You can break it down further into several steps.

- *Prioritize your Highlight* over other daily activities.

Tactics for Choosing your Highlights

Write down your Highlight daily, ideally the previous night or the first thing in the morning. You can record it in a notebook, app, or calendar, though the authors recommend using sticky notes placed in prominent spots.

Repeat a previous Highlight. This is especially useful if (i) you didn't get to do or complete a Highlight, (ii) you wish to build a habit or gain momentum, or (iii) you really enjoyed that activity.

KEY QUOTES

"We do not remember days, we remember moments."
—Cesare Pavese

"This isn't about saving time. It's about making time for what matters."

"You only waste time if you're not intentional about how you spend it."

"There's a special, almost magical power to writing down your plans: The things you write down are more likely to happen."

Rank your life priorities and use it as a guide.

- List down *3-10 major priorities* in your life. Go for big categories that can be captured in 1-2 words, e.g. family, music, getting promoted.
- Choose the *1 most important thing*, e.g. something that requires the most work, or something that you care about the most.
- Rank the other priorities and rewrite the list in *order of priority*.
- Circle out the *top priority*. Use this list to guide your daily priorities. You can reshuffle your priorities over time.

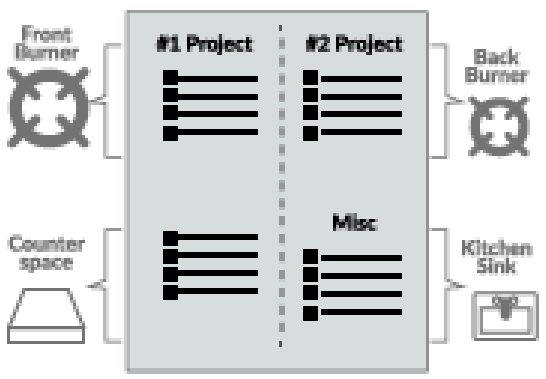
Combine several small, distracting tasks and use batch processing to clear them in 1 Highlight session.

A long to-do list can distract you from what's important and create a nagging sense of incompletion. What's worse, most to-do items reflect others' priorities (not yours). Change your to-do list to a might-do list. Prioritize time for your Highlight, then make an explicit decision on what else to do or ignore.

Alternatively, use a Burner List to focus on 1 big project and 1 small project at a time.

- Draw a line down a blank sheet of paper to create *2 columns*.

(i) The top-left is your "*front-burner*". State your most important project, and break it down into the specific tasks that you must finish in the next few days.



(ii) Leave some "*counter space*" on the bottom-left, where you can add more tasks for your #1 project later.

(iii) On the top-right is your "*back-burner*", where you'll list your 2nd most important project and its related tasks.

(iv) The bottom-right is your "*kitchen sink*" where you place all other items not associated with the 2 projects.

KEY QUOTES

"Most to-dos are just reactions to other people's priorities, not yours."

- When you're cooking, you'll focus on the front burner while occasionally tending to the back-burner. Using the same approach, you can *clear a Burner list every few days*.

You build momentum when you work on something for a few consecutive days. Run a personal sprint by breaking down a project into tasks scheduled over a few days in a row.

Tactics to Make Time for your Highlights

Decide how much time to spend on your Highlight, when to do it, and schedule it in your calendar.

Don't squeeze your Highlights into leftover pockets of time. Instead, block your calendar in advance. If others try to book you during these periods, politely decline and tell them that you already have plans. Start with 1-2 hours a day and adjust from there.

If your calendar is already packed, bulldoze your way by shortening or rescheduling other events to free up blocks of time.

If necessary, cancel/postpone low-priority commitments (e.g. cancel a meeting, delay a deadline or bail on a friend) to make time for your Highlights. Bear with the short-term pain until you regain some control over your schedule.

Say "no" to low-priority requests so you don't have to bulldoze or cancel later. Decline politely and honestly, e.g. "Sorry, I'm working on a couple of major projects and really don't have the time now."

Plan your entire day upfront, instead of reacting to ad-hoc requests by the hour. You can always adjust your plan as things evolve.

Mornings can be one of the best times for your Highlights. To become more effective in the mornings:

- Start your day with bright *lights, coffee and a purpose*. Turn on all the lights in your house, or use simulated lights to help your brain register that it's daytime (especially if you wake up pre-dawn).

KEY QUOTES

"Reacting to what's in front of you is always easier than doing what you intend."

"It's better to ruffle a few feathers than to always push your priorities off for "someday.""

"A structured day creates freedom."

- Plan for *adequate sleep* the previous night. Avoid alcohol or caffeine after dinner, and gradually wind down in the evenings.

If you're more of a night-owl, it could be more productive to do your Highlights at night. Take a break before you begin, set a timer (and switch into "Highlight mode" once it goes off), and give yourself some time to wind down before you sleep.

Don't try to cram as much as possible into your day. When you're exhausted, your work quality dips and the effects can spill over to the next day. Experiment to find your ideal cut-off time to stop work, or end your work day once you've completed your Highlight.

2) Laser: Remove distractions and be laser-focused

This step is about blocking out distractions so you can work with laser-sharp focus for extended periods of time.

You'll naturally get in the zone when you (i) are doing something meaningful that you care about, (ii) have enough energy to focus, and (iii) can keep distractions at bay. That's why all 4 components in the Make Time formula are crucial.

- One of the best ways to remove distractions is to make it *hard or inconvenient* to access them in the first place.

Tactics to Regain Control over your Phone

Make your phone distraction-free. Both the authors did this since 2012, and found themselves feeling happier, calmer and more focused.

- *Delete all distracting apps* including: (i) social apps (e.g. Facebook, Instagram, Twitter), (ii) other Infinity Pools (anything with infinite content, e.g. news, videos, games), (iii) web browser, and (iv) emails (you can still respond to emails on your laptops without constantly looking at them on your phone).

KEY QUOTES

"No matter how long you keep your foot on the accelerator, if the tank is empty, you aren't going anywhere."

"When distraction is hard to access, you don't have to worry about willpower. You can channel your energy into making time instead of wasting it."

"We fear being out of the loop, but once we're out there, we realize it's actually kind of nice."

- This may sound extreme, but at least *try it out* for 1 month, 1 week or even 1 day. You can always add back the apps later.

Log out of your apps and websites every time. The hassle of entering your username and password will discourage you from accessing them unnecessarily.

Turn off all notifications on your phone, except for the truly crucial ones (e.g. calendar reminders).

Have a blank home-screen to get a moment of peace when you unlock your phone. Place all app icons from the 2nd screen onward so you need an extra step to access your apps.

Wear a wristwatch so you don't have to unlock your phone just to check the time (and risk getting sucked in).

Go offline periodically. Leave your devices in the office when you go home, or make them highly inaccessible (e.g. put them in a bag then lock the bag in a drawer).

Tactics to Stay Out of Infinity Pools

Clean up your workspace at the end of each day. Sign out of all your accounts, hide the menu bars and turn off your email and chats, so you won't be flooded by notifications the minute you turn on your computer the next day.

Delay your morning check-ins. When you wake up, don't check for updates at once. Use your calm and rested state in the mornings to enter the Laser mode and finish your Highlights.

Each of us is susceptible to different distractions, e.g. Instagram, newsfeeds, email. Block your #1 distraction. Delete that app from your phone, log out each time, or at least turn it off during Laser time.

Ignore breaking news. There's no need to follow the newsfeed 24/7. Just read the news once a week to stay up to date. If something is truly important, you'll hear about it somehow from other sources.

KEY QUOTES

"Notifications are not your friends. They're nonstop attention thieves."

"True breaking news will find you, and the rest isn't urgent or just doesn't matter."

When you're traveling, don't turn on the screen or pay for wifi on the plane. Use the distraction-free environment for your Highlights.

When you have unlimited access to the Internet, you'll be tempted to stay online. Restrict your Internet access by using a vacation timer or other software tools.

Or, cancel your Internet access altogether. You'll still be able to find ways to go online if necessary, but these are likely to be less convenient and more costly. To deter excessive usage.

Beware of time craters, i.e. small distractions that create huge disruptions. For example, a 20-minute meal can lead to a 2-hour food coma. A 30-second social media post might have you returning many times to read others' comments and respond to them.

Ignore fake wins, such as social media "likes" or responses to emails which don't truly create an impact. Focus on your Highlights because that's where your real wins lie.

Every successful app serves a purpose, even Infinity Pools. You can convert distracting apps into useful tools by changing how you use them:

- Define *why you use an app*, how it adds value to you, how much time you want to invest in that activity, and if that app is the best way to achieve your goal. For example, is Instagram the best way to stay in touch with your friends?

- *Match the tools to your objectives*, e.g. limit the time you spend on a tool, or switch to a better tool. JZ limits his Twitter access to 30min daily, and uses that time to share about his work and address readers' questions. Jake limits his browser time to 4min daily so he's hyper-deliberate about how he uses that time.

Avid sports fans spend lots of time following every match and news update. You can still support your favorite team(s) by following some games/news and freeing up time for other priorities.

KEY QUOTES

"Small distractions create much larger holes in our day."

Tactics to Slow Down your Inbox

The faster your clear your emails, the faster people respond and expect instantaneous replies. So, the best way to manage your emails is actually to slow them down.

Check your emails at the end of the day. Reserve your peak hours for your Highlights.

Schedule email time in your calendar and only manage emails during the allotted time.

Clear your inbox once a week. You can glance through your inbox daily, but only reply to those that truly require a response.

Treat your emails as letters. We typically take a few days to open and respond to snail mail. Do the same for your emails.

People email you about their priorities when it's convenient for them. Answer your messages in batches and respond as slowly as possible—take hours, days or even weeks before you reply. If something is really urgent and important, they'll find a way to contact you.

Manage expectations with a message like "I'm busy with a few important projects and will be slow to respond. Please send me a text if your message is urgent."

Set up "send-only emails" on your phone so you can still send reminders, notes or materials without dealing with a busy inbox.

Go off the grid when you're on vacation. Delete your email app and Infinity Pools, leave your laptop behind and enjoy your holiday fully.

If you lack the willpower to stay away from your emails, use software or apps to lock yourself out (except during pre-allotted time slots).

KEY QUOTES

"Instant-response insanity is our culture's default behavior."

Tactics to Reduce TV Time

Most of us spend way too much time on TV. Make it an occasional treat instead of a default leisure activity.

- Stop watching the news. It's much better to read the news once a day or once a week.
- Place your TV in an inconspicuous corner of the room.
- Replace the TV with a projector. It's more troublesome to set it up, so you'll use it less but can enjoy a cinema-like experience for special occasions.
- Cancel all subscriptions with unlimited content, and only buy/rent ala-carte movies or episodes.
- Go cold-turkey for a month. Unplug your TV and store it away. After 1 month, you may decide it's not worth bringing it back out.

Tactics to Get in Flow

- Close the door and/or put on your headphones to signal to yourself and others that it's Laser/focus time.
- Invent a deadline so you'll be motivated to finish your Highlight. Get a friend to hold you accountable, or register for an event (e.g. a 10km run) that you must work toward.
- Break down your Highlights into small, easy-to-do tasks. Express them using action verbs, e.g. "research airfares for vacation".
- Use music as a cue. Play a song or album each time you start on a Highlight, and reserve those song(s) exclusively for Laser time. After a while, your brain will automatically enter a focused state when you play the music. You can even have different music for different types of Highlights.
- Use a visible timer that shows how much time you've used and how much time is left. This will motivate you to stay focused.

KEY QUOTES

"The closed door is your way of telling the world and yourself that you mean business."
—Stephen King

"Tiny doable to-dos help you build momentum and lock into Laser mode."

Stick to simple tools that are always available and reliable. Don't bother with fancy tools which can complicate things or break down.

It's easier to get into Laser mode when you start on paper instead of a screen, since you think differently on paper, and won't get distracted by things like font type or size.

Tactics to Stay in the Zone

During your Highlights, park random questions and issues on a separate list as they pop up, so you won't go off-track.

To stop the clutter in your head, pause and focus on 1 breath. Notice how the air enters through your nose and fills your lungs, and how your body relaxes as you breath out through your mouth.

Learn to sit with your boredom and let your mind wander. Creative ideas often emerge from such moments.

When you're stuck, allow the problem to incubate in your mind as you take a walk, switch to screen/paper, etc.

If you can't get in Laser mode no matter what, then take a day off to do something truly enjoyable and energizing.

Sometimes, you can't get/stay in the zone because your heart isn't really in it. Switch to a task you can immerse in wholeheartedly.

3) Energize: Recharge your body and brain

You need energy to stay disciplined and focused, so make sure you recharge your body and brain throughout the day.

Our body is like a battery. When your battery is flat, it's hard to think clearly or resist Infinity Pools. When your battery is full, you feel sharp, alive and ready to take on the world.

Since homo sapiens first appeared on Earth ≈200,000 years ago, we've led a hunter-gatherer lifestyle which involved (i) a wide variety of natural foods, (ii) constant movement

KEY QUOTES

and (iii) lots of leisure time for human connection. This changed drastically in the last 12,000 years due to the agricultural, industrial and infotech revolutions. Today, our modern lifestyle has become extremely out of sync with our hunter-gatherer bodies. The good news is, we can recharge our bodies naturally by incorporating simple daily practices.

Tactics to Keep Moving

One of the best ways to recharge your body is to exercise daily in moderation.

- Ideally, exercise for *≈20mins daily* to develop a habit.
- If that's too ambitious, then *do what's doable* and celebrate every progress. Even exercising for 10mins 3-4x a week can make a difference.

The human body is designed for walking. This can be easily incorporated *into* your daily activities, instead of adding it *on top* of them. For example, you can walk to work instead of taking the train, park your car farther from the building, and use your walking time to think, plan and reflect.

Choose "energizing" over "convenience". Try cooking (and moving around the kitchen) instead of eating out, or taking the stairs instead of the elevator.

Go for super-short, intense workouts (e.g. pushups, weights, squats, lunges) to recharge your battery quickly in just a few minutes.

Tactics for Eating Real Food

Adopt a hunter-gatherer diet, i.e. eat whole, unprocessed foods like fruits, vegetables, nuts, seafood and meat.

Fill the center of your plate with salad or greens before adding other denser, higher-calorie foods.

Try intermittent fasting, e.g. have an early dinner, skip breakfast and have a big lunch, so you'll go almost 16 hours without food.

KEY QUOTES

"If you want energy for your brain, you need to take care of your body."

"What you do every day matters more than what you do once in a while."
—Gretchen Rubin

Alternatively, snack throughout the day: consume quality snacks and eat only when your brain/body requires it.

Replace sugary desserts with dark chocolate, which has less sugar and a host of health benefits.

Tactics for Using Caffeine Optimally

Caffeine doesn't give you extra energy; it simply blocks the signals from *adenosine* which tells your brain that you're sleepy. Once the caffeine wears off, the *adenosine* can hit you all at once to cause headaches or fatigue. So, caffeine should be used intentionally and optimally.

You don't need caffeine first thing in the morning since your body typically produces high levels of cortisol around 8-9am to help you wake up fully. Take your first dose of caffeine around 9.30-10.30am when your cortisol level starts to drop.

As a rule of thumb, caffeinate 30 minutes before your energy dips, e.g. just after lunch at around 1.30pm or 2.30pm.

If you're already tired, then take some caffeine followed by a 15-minute caffeine nap. By the time you wake up, your body would've absorbed the caffeine.

Use caffeine for a turbo boost before you start on your Highlight.

Maintain your energy levels throughout the day by substituting 1 large dose of caffeine (e.g. a big cup of coffee) with smaller doses of caffeine (e.g. 2-3 cups of green tea).

After 5-6 hours, half of the caffeine will still be in your system. So, you should generally avoid coffee after 4pm to avoid disrupting your sleep at night. Run your own experiments to figure out your ideal cut-off time.

Many caffeinated drinks come with lots of sugar. Where possible, choose caffeine without sugar (e.g. unsweetened tea/coffee).

KEY QUOTES

Tactics for Getting Off the Grid

Spend some time with nature and fresh air, e.g. go for a stroll in the park, or a hike in the forest.

Calm your mind. Try meditatation, which is basically about being still and noticing your thoughts (instead of actively thinking them). You can try variants like using a guided meditation app, or simply having some quiet time.

Resist the urge to fill your mind every minute of the day. Occasionally leave your headphones at home when you walk, jog, or go about your day.

Take real breaks by moving around, talking to people, or gazing out of the window. Stay away from the screen or Infinity Pools as they'll tax you (not rejuvenate you).

Tactics for Making Human Connections

All humans need human connection. So, spend time with people, especially interesting or high-energy people you enjoy being around. Go for face-to-face interactions or phone conversations (i.e. exchanges that involve your voice). Observe your energy levels after each interaction to identify the energy-givers vs energy-sappers.

Avoid screens during meals. Use the time to interact with people, enjoy your meal, or just give your brain some quiet time.

Tactics for Improving your Sleep Quality

Create a conducive sleep environment. Gradually reduce the mental stimuli at the end of your work day so you can wind down. Ideally, keep all devices (including phones and TV) out of the bedroom. Use a physical alarm clock and read paper books/magazines. If you must read digital content, use a distraction-free device.

KEY QUOTES

"Meditation is just a breather for your brain."

"Resist the itch to fill the blank space."

Simulate the sunset/sunrise. Our body uses light to gauge when it's time to sleep or wake.

- *Fake your own sunset*: (i) turn down the lights in your home
- in the evening, (ii) switch all electrical gadgets to "night mode" and leave them outside the bedroom, and (iii) make your bedroom as dark as possible (or wear an eye-mask).

- If you still feel lethargic in the morning, try *simulating a sunrise* using LED lights.

Take short naps to recharge and refresh.

Don't sacrifice sleep during weekdays, then try to catch up on sleep over the weekends. You can't clear your sleep-debts that way. Instead, maintain your energy levels daily, regardless of whether it's a weekday or weekend.

In an airplane emergency, you're reminded to wear your oxygen mask first before you try to help others. Likewise, take care of your physical and emotional needs first, so you have the energy for things that matter.

4) Reflect: Adjust and improve your system

Use a few simple notes to reflect on your day and decide on the tactics to continue, refine or drop.

The 87 tactics above came from the authors' research and experiments. However, what worked for them may not work for you. This final step is about refining your strategies/ tactics to suit your lifestyle and goals, using a 4-part scientific approach:

- Observe what's happening;
- Hypothesize why it's happening;
- Run experiments to test your hypothesis; and
- Measure the outcomes.

Take notes daily to track what works for you:

KEY QUOTES

- Record (i) your Highlight for the day, (ii) whether you made time for it, (iii) your Laser/focus level (on a scale of 1-10), (iv) your Energy level (on a scale of 1-10), (v) the tactics you tried and how they turned out, and (vi) the tactics to try the next day.

- Record a moment you were grateful for that day.

Conclusion and Other Details in the Book

You don't have to try everything in this book. Just take baby steps to start making time for what you care about, instead of waiting to do them "someday". If you're still unsure about where to start, simply try out these tactics for 3 days, then decide what to keep or adjust:

1. Highlight	2. Laser	3. Energize	4. Reflect
Schedule your Highlight to own your day.	Block your #1 distraction for a day and see how it feels.	Walk a few minutes a day.	Take notes each evening.

This a fun, humorous book packed with illustrations, personal snippets and anecdotes, including the authors' own experiments and experiences. The book also includes sample templates, reading lists and extracts from Jake/JZ's typical day. For more details and free tools/tips, please visit maketimebook.com

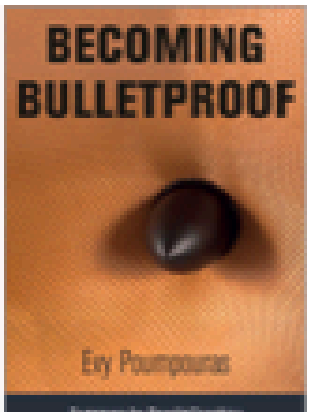
About the Authors

Jake Knapp is an American author and designer. He spent 10 years at Google and Google Ventures, where he invented the Design Sprint process. Jake also co-founded Google Meet and helped to build products like Gmail and Microsoft Encarta. He has written two books, Sprint and Make Time, and coaches teams on design strategy and time management. For more details, visit https://jakeknapp.com.

KEY QUOTES

"The goal is to make time for what matters, find more balance, and enjoy today a little more."

"Do not ask yourself what the world needs. Ask yourself what makes you come alive, and then go do that. Because what the world needs is people who have come alive."
—Howard Thurman



BECOMING BULLETPROOF

Protect Yourself, Read People,
Influence Situations, and Live Fearlessly

Evy Poumpouras

The Big "So What"

Evy Poumpouras is a former U.S. Secret Service (USSS) agent. In this book, she explains various strategies and tools to build mental strength, enhance personal safety, sharpen emotional intelligence, and influence situations positively.

Introduction

In high-stakes situations, it's critical to stay calm and plan ahead, yet most people succumb to fear and panic. In this book, Poumpouras shares how to master your fear to face any situation with confidence. For instance, she was in one of the New York World Trade Center towers during the 9/11 terrorist attack. She maintained her composure to help those in need, and received the USSS Valor Award for her response.

In this summary, we'll be presenting the key insights in 3 parts:

- *Protection*: Strategies for personal safety and mental fortitude;
- *Reading people*: Techniques to read body language, recognize deceit, and control your emotional responses.
- *Influence*: Methods to effectively engage with others, command respect, and create a positive impact.

KEY QUOTES

"I want to help you build the mental attitude you need to confront your own unique set of fears and challenges and learn how to become your own protector—as well as the protector for those you love."

"In a life-or-death situation—when calm, careful planning, and logical thinking are what's needed most—research shows that most of us will lose our shit."

"When it seems like the world is ending, being willing to help others is the antidote to fear. And that is the first step toward becoming bulletproof."

Part 1: Protection

Don't Try to Eliminate Fear. Harness It.

To conquer your fears, you must first understand them. Fear is a natural response to perceived threats, and it's vital for survival. Panic, on the other hand, impairs reasoning and planning.

- Humans are born with innate fears of falling, loud sounds, sharp teeth, and other potentially-deadly threats. That's why we jump at sudden noises, or startle awake when we dream of falling.

- Yet, most of our fears—such as fears of failure or rejection—are not life-threatening. These are learned from culture, experiences, and media sensationalization.

In fearful situations, we instinctively fight, flee, or freeze. Know your default response to better prepare for tense situations. Reflect on what you did the last 3 times you felt threatened. Did you:

- Confront the threat to *fight* for yourself or your loved ones?

- *Flee* or run from the danger?

- *Freeze* or become immobilized by fear?

Choose to **master your fear**. Don't let it control you nor try to eliminate it.

- The *theory of possible selves* by Hazel Markus and Paula Nurius suggests that our current choices are guided by who we want to be (e.g. a renowned inventor), and who we don't want to be (e.g. a failure or pauper).

- *Focus on your aspirational self*, and use fear as a source of motivation. Remember: the long-term pain of regret will outweigh any short-term discomfort.

  (i) Poumpouras was born to Greek immigrant parents in America, and grew up in a low-income area of New York City. Concerned for her safety, her parents often insisted that she stayed home, and even forbade her to attend a top

KEY QUOTES

"Being fearless is bullshit... Fear is natural, useful, and it keeps us alive."

"Under extreme circumstances, panic is likely to kill you faster than whatever it is you're afraid of."

"Survival is about mastering yourself and your fear response, being able to think and act while keeping your panic at bay."

"Courage is knowing what not to fear."
—Plato

"Fear keeps us alive, but...fear can keep us from living."

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high school that required her to take public transportation daily. She felt constrained by fear and resolved not to let it limit her life.

(ii) Despite her family's objections, Poumpouras joined the New York City Police Department (NYPD) Academy. During the rigorous training, she focused on the strong, capable woman she aspired to become, and used her fear of regret as fuel to excel.

(iii) She concurrently applied to the United States Secret Service (USSS), and embraced the challenge when the opportunity came. She worked tirelessly to pass the federal agent training and prove herself in a male-dominated environment. She eventually succeeded as a member of the *USSS Special Agent Division*, specializing in investigations and protection for the Presidential family, foreign dignitaries, and major events.

Building Mental Strength and Resilience

In life, you might have to face insults, verbal abuse, or trauma without losing your composure. A strong **mental armor** allows you to engage with people and life experiences confidently, while protecting yourself psychologically from negativity and intentional harm from others. However use such armor judiciously so as not shut out the entire world.

Avoid unnecessary danger and conflict.

- Identify and avoid potential "*hot zones*", i.e. dangerous places or people that can hurt you or reduce your self-worth.
- Avoid *futile confrontations*. In such cases, walking away is a strategic choice, not a weakness. When someone provokes you with an insult/slander, ask yourself: "Do I really need to respond?" Weigh any impulsive reactions against your long-term goals. For example, punching someone will not make him more cooperative.

Hormesis is the process of building strength through controlled exposure to stress. In medicine, low doses of viruses in vaccines are used to trigger the body's immune responses. Likewise, secret agents are trained under extreme pressure to improve their ability to function under stress.

KEY QUOTES

"Fear doesn't have to limit you...sometimes it's about learning how to use and harness your fear to achieve what you truly want out of life, to become the strongest version of yourself that you can possibly be."

"Difficulties are things that show a person what they are."
—Epictetus

"Your mental armor is an internal firewall against the harmful words or actions of others that might otherwise undermine or diminish you."

"If you don't like drama, then don't invite it in."

"It takes great courage to fight. But it takes greater courage to know when to walk away."

- Confront your fears in *small, controlled doses* to prevent them from overwhelming you. For instance, Poumpouras overcame her fear of cold by gradually acclimatizing herself through cold showers, winter surfing, and other activities.

- Use these steps to *build mental toughness*:

  (i) Expose yourself to uncomfortable but manageable stressors.

  (ii) Know your default fight-flee-freeze response, and identify suitable improvement strategies, e.g. endure stress for just a little longer, or plan ahead for stressful scenarios.

  (iii) Keep practicing 1 improvement strategy at a time.

In times of crises, you need **mental resilience** to stay composed, solve problems logically, and recover quickly.

- To solve complex problems, you must first *pinpoint the correct issue*. Try viewing a challenge from different perspectives, including switching to a third-person viewpoint to gain objectivity.

- Don't adopt a victim mindset to blame other people or external events. Instead, adopt a *solutions mindset*:

  (i) Give yourself some time to process your emotions and come to terms with your situation.

  (ii) Then, accept your current realities, and take full ownership for finding a solution.

- The best way to overcome a tragedy is to *focus on making a positive difference* in spite of it. In "Man's Search for Meaning", Viktor Frankl observed how survivors in Nazi concentration camps managed to transcend their suffering by finding meaning in it.

- To *shift your mental-emotional state*, change your environment, engage in physical activities like singing or cooking, or allow some time to pass to gain distance and clarity.

KEY QUOTES

"Fear is like fire. If you extinguish it while it's small, it won't become an inferno."

"[Take] ownership of your problem so that you can also take ownership of the solution."

"Your ability to accept a situation—the real situation—will ultimately help you overcome it."

"When we can find meaning in our personal tragedies and use them as a way to enhance our lives, or the lives of others, we'll emerge stronger and more resilient."

Be Your Own Secret Service Agent

The USSS Presidential Protective Division has an Advance team that sets up layers of security to protect against potential treats, as well as a Shift team that handles defensive responses when the layers of security are penetrated. Emulate this with a **tiered strategy**: plan in advance for personal safety *and* be prepared for emergencies.

Protect yourself and your loved ones by **planning in advance**, i.e. put security measures in place before anything happens.

- *Identify safe houses*, i.e. safe havens like hospitals, police departments, and firehouses in your vicinity. Choose a rendezvous point for your loved ones to meet during a crisis.
- *Memorize the routes* to these safe houses, so you don't have to rely on the internet or navigation devices during a crisis. Be prepared to seek help rather than wait to be rescued.
- Distinguish between *hard targets and soft targets*. "Hard targets" are places like stadiums or landmarks with lots of people and media presence, making them high-risk targets for attacks. "Soft targets" are places with lower risk and less security, like schools or restaurants.
- *Educate your children* about safety and emergency responses. Ensure they know the escape routes, essential contacts, and family-designated safe houses.
- Be cautious when *transiting between locations*—that's when you're the most vulnerable. Avoid remote parking lots, be alert when walking to/from your car, and lock the door once you enter.
- For *international travel*, research local advisories, plan routes in advance, avoid night travel, carry minimal valuables, have a first-aid kit, use secure communication, and familiarize yourself with the local cultures/laws, as well as the nearest hospital, embassy or consulate.

Be **physically and mentally prepared** to respond effectively during an emergency.

KEY QUOTES

"Pay attention to your enemies, for they are the first to discover your mistakes."
—Antisthenes

"Arming yourself with knowledge and tools will free you from unnecessary stressors and worries so that you can live fearlessly."

- Develop *situational awareness* to preemptively recognize dangers. Trust your instincts and err on the side of safety.

- Look for *cover and concealment*. A cover is something that makes you harder to hit (e.g. a fire hydrant or a steel door) while a concealment hides you completely from an attacker's view.

- Identify the *entry and exit routes*. In a panic situation, use alternative exits instead of following the crowd. If you can't reach an exit, then look for impermeable rooms like bathrooms or walk-in coolers, stairwells and possible rooftop escapes.

- In public places, choose *strategic seating positions*, such as having your back to a wall (so you can see what's going on around you) or being near an exit.

- Take 5 minutes to *assess a new environment*. Identify (i) exit points and an evacuation route, (ii) potential cover and concealment spots, and (iii) potential self-defense tools.

Use these strategies to enhance **personal and property security**:

- Enhance *home security* with exterior lighting or motion-sensor lights. Avoid landscaping that offers hiding spots, keep your property tidy to indicate vigilance, keep doors and windows locked, use curtains for privacy, know your neighbors, and consider using a guard dog or warning signs.

- Reinforce your *doors* with robust frames and king studs, install dead bolts that penetrate deep into the frame, add secondary dead bolts, choose solid-core doors, and consider door jammers for internal reinforcement.

- Choose suitable types of glass (tempered, laminated, Plexiglas) for *windows*. Secure basement windows as they're common intrusion points.

- Install motion-triggered *cameras*, or use fake cameras if a real system is not feasible.

- *When you're away*, stop mail delivery and be cautious about what you reveal in your social media posts.

- Prepare a "*go-bag*" for emergency situations, with essentials like cash, a credit card, flashlight, non-perishable food, water, first aid kit, utility knife, and cell phone charger.

KEY QUOTES

"You shouldn't surrender your personal safety to strangers who may or may not be better qualified than you."

"If you do not expect the unexpected, you will not recognize it when it arrives."
—Heraclitus

- Carry only essential items in your *wallet*, with a limited number of credit cards and cash.

- Don't reveal *personal information on social media*, including your home/vehicle interiors or your children's activities.

Avoid violence, but be prepared for unavoidable confrontations. If you must fight, then **commit to the fight mentally and physically**.

- Most bullies and human predators prey upon others to hide their own insecurities; they target those who seem weak. Adopt a *counter-predator mindset* to deter potential attackers: move with confidence, make eye contact, and show situational awareness.

- Learn and practice *self-defense techniques*, such as striking the groin, kicking the shin, punching the throat, or jabbing the eye. If possible, train in a controlled environment to understand your physical limits and reactions under attack. Remember: the goal of self-defense is to escape, not engage in prolonged combat.

KEY QUOTES

"During those times in your life when you decide to stand your ground, do so with conviction."

"If you lack conviction, the belief in what you are doing and why you're doing it, you will lose before the first punch is ever thrown."

Part 2: Reading People

Reading Others to Uncover the Truth

Everyone lies for various reasons, ranging from kindness to fear and self-interest. Poumpouras was one of the USSS' 30 polygraph examiners, and had extensive training and experience in detecting lies.

- *People lie in 3 main ways*: (i) by omission, (ii) mixing lies with truth, and (iii) outright fabrication.

- When we lie, our bodies respond physically to the stress of lying. The *polygraph machine* is designed to measure physiological responses to stress, not to directly detect lies. A skilled examiner is still required to interpret these signs and uncover the truth.

- To recognize a lie, you must *listen actively and closely observe* their behavioral cues. Poumpouras shared several examples of how she identified red flags during polygraph examinations.

"Learn to be silent. Let your quiet mind listen and absorb."
—Pythagoras

Human nature is complex, and there's no such thing as a "good" or "bad" person. To accurately read and understand people, you must learn to see their inherent complexities and contradictions.

- It's harder to spot the lies by those closest to us because our emotions get in the way. To become an effective lie-detector, you must detach personal feelings from your evaluations. Accept that lying is a part of human nature, and don't take it personally. *Focus on gathering information* about their background, motives, and actions, to make a more accurate assessment.

- To uncover the truth, you must *empathize with others*. Seek to understand the "why" (the complex motivations and circumstances) behind the "what" of their actions.

Verbal and Non-Verbal Cues

People's responses are influenced by many factors. To avoid jumping to premature conclusions, establish their baseline behavior in a relaxed state, then look/listen for changes as the conversation shifts to other topics.

- Start by asking casual questions to observe and establish their baseline. Then observe if specific *triggers or topics* lead to shifts in behaviors that suggest discomfort or potential dishonesty. However, don't point out the "tells" that gave them away, e.g. "Why did you look away when you said that?" Just keep them talking and continue to observe attentively.

- Pay particular attention to *discrepancies* between their verbal and nonverbal communication, e.g. shaking their head when saying "yes".

- For a more complete picture, look for *clusters of behaviors* rather than isolated gestures.

Body language, including facial expressions, gestures, and postures, are all windows into someone's inner state.

- Once you've established their "normal" level of *eye contact*, notice sudden changes that signal discomfort, e.g. looking down, fleeting eye-rolls, or widening of the eyes.

KEY QUOTES

"To see a lie, we need to take ourselves and our emotions out of the equation."

"Most people are good people, and sometimes good people do bad things, or stupid things, or both."

"The more you talk, the less control you actually have. When you're reading people, silence is your friend. Listening is your friend."

"Reading people means looking beyond categories and stereotypes. It means seeing people in all of their complexity and contradiction."

- Tension in the *mouth*, sighs and yawns may indicate stress. In addition, clenched jaws, grinding teeth, or a dry mouth, can indicate nervousness.

- Genuine *smiles* transform your entire face (including the eyes) while fake smiles are often fleeting and involve only the lower half of the face. Laughter can signal nervousness and doesn't necessarily mean amusement.

- *Leg movements*: Bouncing legs or tapping feet may signal anxiety, especially if they only occur during specific topics.

- Other signs of *nervousness* include: hiding their hands in their pockets or under their legs, fidgeting or grooming (e.g. twirling their hair or moustache).

- Their *posture and body orientation* also offer insights. An upright posture typically conveys confidence or defiance, while slouching or leaning to one side may convey weakness, fear, or guilt. Crossed arms could indicate defensiveness. The direction of their legs (pointing toward you or the exit) could signal engagement or a desire to exit the interaction.

Verbal communication is equally telling. Pay attention to their tone, choice of words, and inconsistencies or evasions in their narrative.

- Here are some *verbal patterns that may indicate deception*.

  (i) Attempts to shut down the inquiry e.g. "You've already asked that" or "This is such a stupid question."

  (ii) Implying shared knowledge, e.g. "As you already know..."

  (iii) Responding with a question (which can be a stalling tactic), e.g. "You're asking what I did last night?"

  (iv) Impatience or trivializing the issue e.g. "I don't have time for this" or "Is this such a big deal?"

  (v) Lying by omission or refusing to commit to specifics, e.g. "I forgot" or "I'm sure I've already shared everything."

  (vi) Answering a different question, e.g. saying "I usually arrive at the airport 2 hours before my flight" in response to the question "What time did you arrive at the airport?"

KEY QUOTES

"If you know how to pay attention to what people express through their movements and physical mannerisms, you will learn to see the truth beneath the surface."

"Most people, in fact, will not take the trouble in finding out the truth, but are much more inclined to accept the first story they hear."
—Thucydides

(vii) Invoking authority or emphatic denials, e.g. "I swear to God" or "I would never do that!"

(viii) Using their status or identity as a defense e.g. "I'm a doctor/ father/religious person. I would never…"

(ix) Putting you on the defense e.g. "You're picking on me because of my race/gender/religion."

(x) Using disclaimers or integrity qualifiers, e.g. "Trust me…" or "Honestly…"

(xi) Omitting personal pronouns ("I") or speaking of themselves in the third person (e.g. "John is…").

(xii) Using inconsistent verb tenses.

(xiii) Silence or a prolonged delay after a direct question.

- Remember: lies are complex and contextual. None of the signs above are individually conclusive, so always look for *clusters of behavior* that deviate from the person's baseline behavior.

Lying is mentally-demanding, which is why most lies are constructed linearly and with minimal details. Here are several **deception-detection techniques** you can use:

- Let them finish their narrative, then ask about the events in *reverse order*, e.g. "Before you did X, what did you do?" If they spoke truthfully, it will be easy for them to recall the events regardless of the sequence.

- *Listen for details* typically found in genuine accounts:

  (i) Spontaneous corrections, e.g. "Wait…it was blue, not green."

  (ii) Direct quotes of what people said; and

  (iii) Minor details, e.g. a cat dashing across the road.

- Use *paired storytelling* to check for consistency in narratives by co-conspirators. Interrupt 1 person half-way and get the other person to continue the story. A true story will flow smoothly between them.

- Ask *open-ended questions* to encourage them to share details, some of which can be verified to confirm or debunk their claims.

KEY QUOTES

"The stars never lie, but the astrologers lie about the stars."
—Homer

Managing How Others Read You

First impressions matter. They are made quickly and are hard to change. Dress appropriately for the occasion, and match your **appearance** to your goals, audience, desired image and message.

Keep your **body language** relaxed and open.

- Maintain a *neutral expression* to observe others without revealing your own judgments or reactions. Keep your arms and legs uncrossed, head level, palms unhidden or resting on the table. Maintain appropriate eye contact, and avoid fidgeting or other nervous habits.
- Don't slouch, cross your arms, frown, or openly judge them. *Listen attentively*, nod to encourage them to share more, while maintaining a poker face.
- If possible, *remove physical barriers* (e.g. tables, podiums) between you and others to create connection and openness.

Often, how you say something matters more than what you say. Pay attention to your voice, speech patterns, and other aspects of **paralinguistics**.

- Speak *clearly and assertively*. Generally, a slower pace of speech conveys more confidence and control.
- Avoid *filler words* like "um" or "like".
- Use *silence* and strategic pauses to add weight to your speech.
- *Less can be more*. Only speak when you have something meaningful to contribute.
- Record and listen to your voice, and make adjustments to find and present your *most authentic and powerful voice*.

KEY QUOTES

"Each presentation of you sends a different message. You can and should influence your appearance in order to mirror your message."

"Make sure that you appear positive and interested, all the while revealing nothing and inviting everything."

"Connecting with your audience is just as important as knowing your facts."

"The meaning and strength of a statement is determined not by its words, but by how it is spoken."

"If you want people to respect you, then give them a voice they can respect."

"There is the voice we use. And then there is our true voice."

Part 3: Influence

Building Trust and Rapport

Influence is about **trust and strategic communication**, not coercion, psychological trickery, or manipulation.

- *Words are powerful*. Great influencers strategically choose words that make sense to the other person, so they can steer the conversation without force or intimidation.

- The goal of influence is to achieve *specific, short-term goals* through subtle shifts in perspectives, not to change someone's beliefs or character. For example, when Poumpouras interviewed terrorists, she didn't attempt to change their views of America. She merely put herself in their shoes to extract the information she sought.

To influence someone, you must first **see the world through their eyes** and communicate in a way that resonates with them.

- *Empathy* is about understanding the other person's perspective. For example, "Alex, it sounds like losing your job has been really challenging. It must be tough to navigate the change and uncertainty." Once the other person likes you and believes that you understand them, they'll naturally open up to you. Often, suspects voluntarily shared the details of their crimes with Poumpouras—even though they knew it'd land them in jail—because they felt that she understood and respected them.

- Empathy is different from *sympathy*, which involves sharing in another's pain, e.g. "I'm so sorry about your job loss, Alex. I feel sad just thinking about what you're going through." This may come across as pity, which can backfire.

Rapport leads to **trust and deep understanding**.

- Research shows that when 2 people are in sync, it leads to *neuro-coupling*, where their brains start to interpret things similarly.

- When there's rapport, communication flows effortlessly. People who're in sync also start to *mirror* each other's verbal

KEY QUOTES

"To become a dealer of words, you must first understand that the words you choose are not about you. They're about the person who hears them."

"When you come to recognize and appreciate another person, you add value to their lives, which in turn adds value to your own. This is the quintessential impact of influence."

and nonverbal cues, often without conscious awareness.

(i) You can subtly mirror the other person's body language, speech or paralinguistics to build rapport.

(ii) To do this authentically, bring out the version of you that matches their tone, pace, volume, and other nonverbal cues. However, don't mimic their accents.

- *Keep your ego in check*. Don't dominate the conversation or try to show how clever you are. Let others speak and focus on building rapport.

Keys and Tactics to Influence Others Effectively

Make others feel valued by giving them your **undivided attention**.

- *Remove distractions*. Turn off your phone and put it away to signal that you're prioritizing the interaction, while ensuring you don't miss important cues while checking your phone.
- Make people feel special by *remembering their names*. Repeat the person's name multiple times during your conversation to imprint the name in your mind and build rapport. If you're unsure how to pronounce their names, ask for clarification.

You can't demand respect. You can only **earn respect through action**.

- *Respect yourself first*. Focus on actions that bring you pride and satisfaction, not on earning others' approval.
- *Respect others' privacy and dignity*. Hold sensitive conversations privately and in a way that preserves their dignity.

Ask the right questions.

- Start with *open-ended questions* to invite detailed responses.

(i) Start your questions with the words "Tell me", "Explain" or "Describe". For example, "Tell me what you like about this proposal?", "Explain what's important to you in your job?" or "Describe the meeting with your boss."

(ii) Focus on drawing out as much details as possible, observing their body language and nonverbal cues as you do so.

KEY QUOTES

"Trust and rapport work hand in hand when it comes to influencing behavior."

"A person's name is to that person, the sweetest, most important sound in any language."
—Dale Carnegie

"The respect you seek must start with you...At the end of the day, the person whose opinion matters the most is your own."

"The right question is usually more important than the right answer."
—Plato

- Avoid *leading, compound, or assumptive questions*.

  (i) Leading questions guide the respondent to a specific answer, e.g. "Was the car blue or green?"

  (ii) Compound questions include multiple questions, e.g. "Was it warm and comfortable?"

  (iii) Assumptive questions include hidden assumptions, e.g. "Why did you try to steal from him?"

- Toward the end of a conversation, use **closed-ended questions** to clarify or confirm specific details.

Priming is a useful influence tactic that uses environmental or contextual cues to subtly steer someone's perception or behavior. For example, you can appear warm, likeable, and trustworthy by offering a warm drink and using words like "help", "sharing", "positive", and "together".

Demonstrate **authority and knowledge** on a topic without being arrogant. Build genuine expertise and articulate it effectively to command respect and attention.

Use **personal space** appropriately for the context and culture.

- Here are some *rules of thumb* for proxemics:

  (i) Intimate space (direct contact to 18 inches) is for lovers or close family members.

  (ii) Personal space (18 inches to 4 feet) is usually for close friends or family members.

  (iii) Social space (4 feet to 12 feet) is for strangers or acquaintances.

  (iv) Public space (more than 12 feet) is good for public speeches.

- *For example*, start by positioning yourself in their social space then move closer gradually to signal the shift to a personal relationship. If them seem uncomfortable, shift back to give them more space. You can also gauge others' response from whether they're moving closer to you or backing away.

We're naturally drawn to people like us. Find **commonalities** to create connection and trust, e.g. similar interests, backgrounds, traits, or even ordering the same meal.

KEY QUOTES

"Do your homework and make smart decisions about whom you choose to trust and why."

"Once you're able to get beyond their barriers and throw off their defenses, people will reveal themselves to you in ways that they normally wouldn't to anyone."

"Let us conduct ourselves so that all men wish to be our friends and all fear to be our enemies."
—Alexander The Great

Other positive influence tactics include:

- *Admitting to mistakes* to show integrity.
- Being *flexible and adaptable* in your thinking and communication.
- *Respecting others' autonomy*. During interrogations, Poumpouras offered the person a choice of where to sit and what to drink.

Learn from Everyone

A mentor doesn't have to be someone more experienced than you. Anyone around you can be a mentor.

- Use *everyday interactions and observations* to learn from people from all walks of life, including their diverse qualities, experiences, and perspectives.
- You can also use *digital resources*, such as books, lectures, and other media to learn from experts worldwide.

Use solitude for introspection and independent thought formation. Spend some time alone each day to find inner clarity.

- Beware of *self-imposed limitations*. Give yourself the opportunity to learn, and consider trying extreme experiences like skydiving to overcome fears in life.
- Focus on your personal progress instead of *comparing with others*.

Poumpouras shared several virtues—generosity, fortitude, gratitude, authenticity, grace, magnanimity, and self-worth—that she admired the most about various U.S. Presidents and First Ladies. These are qualities that all of us can aspire toward.

- From Bill Clinton, she learned *generosity*. Clinton was always willing to give his time and attention to others. He showed genuine interest in people's lives, and had the knack for making people feel as if they were the only person in the room with him.

KEY QUOTES

"We all fuck up. But how we recover from our fuckups is how we differentiate ourselves."

"You can learn just as much from an asshole as you can from a role model."

"Influence is knowing when taking a break from others is in your best interest."

"If you turn every obstacle into a wall you can't get over, you let yourself become the cause of your failures."

- From Hillary Clinton, she learned *fortitude*—the ability to stay unwavering in face of challenges and public scrutiny/criticism.

- From George H.W. Bush, she learned the power of expressing *gratitude* to everyone, including often-overlooked staff and crew.

- From George W. Bush, she learned *authenticity*. Bush was known for his consistent demeanor in both public and private settings, staying true to himself instead of conforming to expectations.

- From Laura Bush, she learned *grace*—to treat every person kindly, thoughtfully, and with tranquility, so people feel better after meeting you.

- From Barack Obama, she learned *magnanimity*. Obama chose to respond to critics with dignity, kindness, and forgiveness, rising above petty conflicts and retaining a broader perspective.

- From Michelle Obama, she learned about *self-worth*. No matter how busy her schedule, Obama prioritized her role as a mother, as well as her fitness and self-care.

KEY QUOTES

"The greatest virtues are those which are most useful to other persons."
—Aristotle

"Self-worth...comes from the small things we do every day to show that we value ourselves."

Conclusion and Other Details in the Book

Being bulletproof is not about being invincible, but finding the strength to endure the unbearable. This strength comes from acknowledging fear, embracing vulnerability, and maintaining a deep connection to your humanity.

"Heroism is quiet....It's about what's in your heart and mind and spirit."

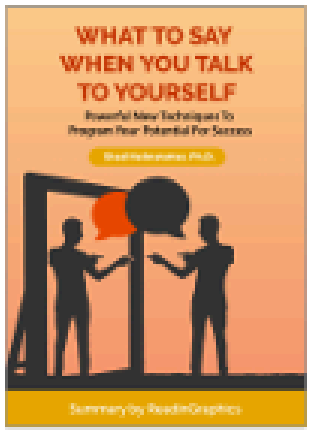
- *Fear is a constant companion in life*, and you will always fear losing the things/people you love. Courage lies not in the absence of fear, but in the willingness to confront and embrace it.

"We are never done with fear...There is...no ultimate state of fearlessness that you can eventually achieve."

- Poumpouras urges each of us to *become our own hero*, and to use our strength and resilience to make a positive impact in this world.

"You are the hero you've been waiting for. You are the hero the world has been waiting for."

The book includes **other details**, such as stories, anecdotes and insights from Poumpouras' experience in life and as a secret service agent. For more details, visit https://www.evypoumpouras.com.



WHAT TO SAY WHEN YOU TALK TO YOURSELF

Powerful New Techniques To
Program Your Potential For Success

SHAD HELMSTETTER, PH.D.

The Big "So What"

We talk to ourselves all the time. Yet, we don't realize that much of what we tell ourselves is negative or counter-productive. This book presents insights from 20 years of behavioral research, with specific steps and phrases that you can use to reprogram your brain, achieve your goals, live your desired life and reach your full potential.

Introduction

Today, we're surrounded by all sorts of success tips and strategies to help us overcome challenges and move forward in life. These include: positive thinking, goal setting, time management, self-belief, self-responsibility, meditation, eating right, and so on.

- Helmstetter spent 20 years researching success from different angles—from psychology to neuroscience, business, philosophy, and religion. He tried out many of the recommended solutions, and also spoke with others who've tried them. Most of these strategies work to some extent, but the *effects tend to be temporary* because they fail to address how our brain works.

- The brain controls *everything* we think and do. To make a *permanent change*, we need to reprogram the subconscious mind, which is the brain's command center. In this book, Helmstetter explains how you can do so using self-talk. It's like the glue that binds together all the other success factors.

The book was originally written in 23 short chapters. In this summary, we've organized the ideas into 2 parts:

KEY QUOTES

"If there are so many good solutions, why aren't they creating permanent changes in our lives?"

"The brain runs the ship. If you want to make a permanent change of any kind...you've got to do it the way the brain works."

- How mental programming works; and
- How to reprogram your brain with self-talk.

Part 1: How Mental Programming Works

How does the brain work?

The brain is made up of billions of neurons that communicate via neurotransmitters. Electrochemical signals are passed between the neurons, triggering chemical releases to our central nervous system and body, which then control everything we do.

- The brain *keeps us alive* by monitoring our needs and managing all our bodily systems (e.g. breathing, digestion) without our conscious awareness.
- It also responds to mental commands in the form of *thoughts*. Every conscious or unconscious thought is translated to electrical impulses that affect some parts of our brain.

Think of your brain like a computer that executes whatever instructions it receives.

- We input data or instructions into a *computer* via a keyboard or touch screen. The data/program is stored in the hard drive, and the programming results are displayed on the computer screen.
- Similarly, the *brain* receives inputs via our 5 senses, i.e. what we see, hear, taste, touch, or smell. The programming is stored in the subconscious mind, and the results are displayed through our actions or appearance.

The subconscious mind is like the brain's command center. It stores our programming, and has countless electrochemical "switches" that control everything from our memory to our health, attitude, fears, logic, creativity, hopes and dreams.

- Your subconscious mind doesn't differentiate between thought and reality. *It believes what it hears repeatedly*. This applies to information about wealth, relationships, health,

KEY QUOTES

"You can reprogram…All you have to do is learn how to talk to yourself."

"What we put into our brains is what we will get back out."

"You will become what you think about most; your success or failure in anything, large or small, will depend on your programming—what you accept from others, and what you say when you talk to yourself."

career, etc. So, you literally become what you think about the most.

Wrong or counter-productive inputs can lead to negative programming that works against you without your realization.

- Behavioral research found that *77% of our thoughts are negative*. Medical research found that 75% of diseases are self-induced.

- When we try to adopt a new success strategy, it often works for a while before we find ourselves falling back to old habits governed by our *old programming*. The only way to change permanently is to change our underlying program.

Where did your programming come from?

From the moment we're born, we receive programming inputs from others. We're told what we can or cannot do, what we're good or bad at, how we should behave, and even what we should believe.

- As *children*, we were full of wonder and imagination, constantly dreaming up possibilities of what we *could* do. As we grew up, we started to learn what we *couldn't* do, and what we *should* or *must* do. We constantly receive (i) direct rules or instructions on what to do (or not to do), (ii) persuasive or marketing messages, and (iii) cues from role models and other social influences.

- Our current mental programming is the sum of *what others have told us repeatedly* over the years. We believe what we hear the most, regardless of whether it's true.

We also talk to ourselves constantly through spoken words, silent thoughts, feelings, impressions, or physical responses. Much of this occurs unconsciously without our awareness.

- Our brain "files" new data based on what we already know, i.e. every new thought or mental image is tied to an existing thought or image. For example, you may identify a new scent by thinking "this smells like vanilla", or you may dismiss something as "untrue" if it clashes with an existing belief.

KEY QUOTES

"Everything around us nudges, demands, or persuades...We are ships with countless captains, all seeking to direct us on their own courses, for their own purposes."

"The more files we have in our mental filing cabinets... the more we will attract and accept other thoughts and ideas which support and prove what is already stored in our files."

As a result, we tend to *reinforce what we already know or believe*. The longer you believe in something, the harder it is to change it.

- Persistent and negative self-talk can create a *self-made wall* that blocks us from our goals. You reinforce that wall each time you tell yourself something counter-productive, e.g. "I'm bad with names", "This is useless", "I'm so clumsy!", or "I'll never get it right." If you keep telling yourself you can't be rich or you can't lose weight, your subconscious mind will make it a reality because that's what you're programming it to do.

In addition, we pass our programming on to others. We often do this unintentionally when we say things like: "You're so self-centered," "You're just like your mum!" or "You'll never amount to anything!"

You can reprogram your brain by changing (i) what programming you accept from others, and (ii) how you talk to yourself. The key is to keep only the helpful programming and replace the rest.

KEY QUOTES

"Whatever 'thoughts' you have programmed into yourself, or have allowed others to program into you, are affecting, directing, or controlling everything about you."

The 5-Step Self-Management Sequence

Your success or failure is *always* the outcome of something you did or didn't do. It's never due to luck alone. There are 5 elements that determine your results: your behaviors, feelings, attitudes, beliefs and programming.

Your behaviors directly affect your outcomes. These include what you do or don't do, what you say and how you say it. You probably won't do well for your exams if you skip classes and don't study. You're unlikely to have a happy home life if you constantly ignore or quarrel with your family members.

Our behaviors are in turn driven by our feelings. You'll respond more positively and enthusiastically to someone/something you

"Life is not a matter of luck or fortune...Most of what seems to happen to you happens because of you—something you created, directed, influenced, or allowed to happen."

like, compared to someone/something you dislike. You behave differently when you're happy and optimistic, compared to when you're unhappy or anxious.

Your feelings are in turn influenced by your attitudes or perspectives about life. All else being equal, someone with a great attitude is more likely to succeed than someone with a poor attitude.

Our attitudes are shaped by our beliefs about ourselves, other people, or the world at large. It doesn't matter if a belief is true; what matters is that *you* believe it's true. Such beliefs tend to become self-fulfilling prophecies. For example, if you believe that people are bad by nature, you'll be more cautious around others. If you believe that you lack creativity, you're less likely to embark on artistic or innovative projects.

Ultimately, our beliefs come from our programming, or how we have been conditioned since young. To change at the core, you need to change your programming.

KEY QUOTES

"[Self-talk] changes the programming, which creates the belief, which develops the attitude, which creates the feelings, which control the behavior."

"What we believe about anything will determine our attitudes about it, create our feelings, direct our actions, and in each instance, help us to do well or poorly, succeed or fail."

Self-Talk vs Other Self-Help Concepts

Positive thinking is a powerful self-help concept. However, it doesn't remove your old programming. This is like trying to renovate a house full of old furniture—you must clear out the old furniture to make space for new ones. In short, you must concurrently delete the old/negative self-talk *and* replace it with new/positive self-talk. Otherwise, your old programming will interfere with your attempt to be positive, and you end up feeling even more frustrated and disillusioned.

Most motivational strategies or techniques don't deliver lasting results because they rely on external motivation or motivators.

- *External motivation* doesn't last because your motivation fizzles out once the motivator is removed. For example:

  (i) You may feel a surge of hope and inspiration after reading a motivating book, listening to a stirring speech, or attending a motivational program. However, after a few setbacks, you find yourself falling back to old ways of thinking, and may even feel more disappointed or disillusioned.

"Most motivation simply doesn't stick. It doesn't stay with you."

"External motivation is the kind that may wake you up, but it will not keep you awake for long."

(ii) You may also feel pressured or obliged to do something due to contractual obligations, fear of punishment, or disapproval. Yet, once the external demands disappear, so will your motivation.

- Instead of relying on external sources of motivation, use self-talk to create *internal motivation* that lasts. It's like having an internal coach or motivator who will never leave you.

It's possible to influence your subconscious mind using **subliminal solutions**, such as *hypnosis* (which puts you in a trance-like state so you become more receptive to suggestions), or *subliminal learning* (e.g. music or images embedded with hidden messages). However, you are still allowing someone else to program your mind.

- Self-talk adopts a different approach. It requires you to make a conscious decision about who you wish to be, then take *personal responsibility* for your own mental programming.

No matter how good an idea is, it won't work if you don't apply it. Most people want to improve their relationships/career, and have more time, money, or freedom. Yet, they get so caught up with the demands of daily life that they can't find the time/energy to take concrete action. Self-talk is simple enough that anyone can use it—if they choose to do so.

Part 2: Reprogramming Your Mind with Self-Talk

The 5 Levels of Self-Talk

There are 5 progressive levels of self-talk. Your goal is to stop unhelpful self-talk (Levels 1 and 2), and start adopting helpful self-talk (Levels 3 and 4). With time, Level 5 will naturally kick in.

- Level 1: Negative acceptance involves saying negative things about yourself and believing them. It's characterized by words like *"I can't..."* or *"If only I could..."* It could range from small

KEY QUOTES

"Vote your own vote, think for yourself, and always be aware of what you are programming into your own subconscious mind."

"Personal responsibility is the bedrock of all individual action."

"For any self-improvement concept to be successful, it has to be simple. It has to be easy to use. And when put into practice, it has to work!"

reservations to deep fears, e.g. "I can't seem to get this right" or "If only I could be more lovable." This is the least helpful way to talk to yourself, since it damages your self-image and confidence.

- Level 2: Admitting the need for change. Such self-talk is characterized by words like *"I need to..."*, *"I ought to..."*, *or "I should..."* Examples include: "I need to lose weight" or "I really ought to be more punctual". The statements may *seem* helpful, but they're actually counterproductive because they point out a gap/problem without a concrete solution. This makes you feel more guilty and frustrated.

- Level 3: Deciding to change. This is the first helpful level of self-talk because it represents a firm decision to do something. It's characterized by words like *"I never..." or "I no longer..."* Examples include: "I never break a promise" or "I no longer eat more than I should". The sentences are stated in the present tense as if the change has already occurred. This instructs your subconscious mind to take action *immediately*.

- Level 4: Being a better me. This is about presenting yourself in a positive new light. It's characterized by words like *"I am..." or "I have"*. Examples include: "I am in control of my actions", "I have a great memory", or "I am a winner!" Such statements inspire us to become the person we wish to be, filling us with hope and excitement.

- Level 5: Universal affirmation. At this level, you're spiritually aligned with the world at large. You use words that describe *what* is, e.g. "Life is beautiful and full of joy and peace." Your self-talk is elevated to a higher level, reflecting a wider perspective and a higher consciousness.

The 5 Self-Talk Techniques

Self-talk may be thought, spoken, written/read, or recorded/listened to. Use some or all of these 5 techniques to shift from negative to positive self-talk.

Silent self-talk refers to your internal dialogues, including all your conscious/unconscious thoughts about yourself and the things around you. The idea is to "catch" any unhelpful thoughts and reframe them *immediately*.

KEY QUOTES

"By replacing your earlier negative or neutral self-talk with new commands, you are activating healthy, productive chemical and electrical control centers in your brain which will automatically work for you instead of against you."

When you say something about yourself to others, it calls up images and feelings that add to your mental programming. For example, each time you tell a friend that you hate your job, or that you can't stand your boss, you're reinforcing those attitudes and sentiments. Pay attention to *everything* you say—if you don't want your brain to receive it as an instruction, then replace the words immediately.

Hold conversations with yourself: talk to yourself aloud for several minutes in private, e.g. when you're in the shower or alone in the car. This is one of the most effective forms of self-talk, since you're engaging multiple senses, and forcing yourself to translate thoughts into words. You can use this to:

- Give yourself a *boost*. For example, say "Hey, you look great today!", then reply with "Yes, it has been an amazing day because...";
- Give yourself *advice*; or
- Ask yourself *questions*. This helps you to voice out answers that you may already know subconsciously.

Written self-talk: Carefully craft the wordings or instructions for your subconscious mind, then read the self-talk daily.

- You can write the self-talk on *index cards*, with 1 statement per card. Over time, you'll have a self-talk for every situation or goal.
- To come up with the most effective wording, you will need some effort and discipline. So, this method works best for people who enjoy *word-smithing*. The process also creates the awareness and focus to accelerate your mental shift.

Recorded self-talk: You can also record your self-talk, then listen to the audios while you do your daily chores or activities. Remember: if you repeat a message enough times, your brain will eventually accept it as the truth.

How to Apply Self-Talk

Effective self-talk involves more than just 1-2 statements. You need to develop a set of specific suggestions to tackle different

KEY QUOTES

"Listen to everything you say when you talk to anyone at anytime."

"Your subconscious mind will be listening, whether you are or not."

"Self-Talk is not one simple phrase or two: Self-Talk is a specific set of concisely worded directions."

aspects of a goal or challenge. The more specific and complete the picture, the clearer the instructions to your brain.

- Be very *specific*: look at the problem carefully, and create a self-talk statement to address each obstacle. Be as precise as possible, since your brain will follow the exact instruction.

- Most goals or problems can be *holistically addressed* with a dozen good self-talk suggestions that jointly cover the symptoms, causes, your mental space and the person you must become.

- With the exception of situational self-talk (elaborated below), all positive self-talk is stated in the *present tense*, as if it has already occurred. For example, don't say "I'm going to quit smoking," since it tells your brain that you're still smoking right now. Just say, "I don't smoke!"

Self-talk for changing habits. All of us have unhelpful habits that we wish to change or replace.

- Use self-talk to tell your subconscious mind (i) to stop doing something (e.g. stop overspending), and (ii) to start doing something else (e.g. only spend what you planned to). Reject the old habit, and replace it with a *new mental image* of yourself behaving in the new way.

- Develop a set of self-talk suggestions to address *all aspects of the habit*. To quit smoking, you can describe how you're enjoying your new state of health, how fit/good you feel, how proud you are of yourself, how you stay in control of your mind and body, and how you respond to cigarettes. Here are 2 self-talk examples:

  (i) "I really enjoy breathing clean, fresh air, being healthy, and being in complete control of my body and my mind."

  (ii) "When I see a cigarette, or even think of one, I automatically hear the words, "I do not smoke!"

Self-talk for changing attitudes. Our attitudes act as filters to affect how we see ourselves and the world. They define who we are and impact everything we do. The best way to change your attitudes is to change how you see yourself.

- For example, your attitude toward *self-responsibility* decides whether you take charge of your life or make excuses for

KEY QUOTES

"Because the subconscious mind does not know what is true and what is not, in time it will accept what you are telling it and act on it."

"To change the habit, change the words."

"We are our attitudes and our attitudes are us."

for yourself. To take full responsibility, develop a set of self-talk suggestions to describe how trustworthy you are, how you never make excuses, and how you take responsibility for your past, present and future. Here are 2 self-talk examples:

(i) "Each day I acknowledge and accept the responsibility for my actions, my emotions, my thoughts, and my attitude."

(ii) "I always meet all of the obligations which I accept. And I accept no obligations which I will not meet."

Self-talk for solving problems and achieving goals. You can set goals for virtually anything, from how you wish to live each day, to what you wish to achieve in the short-term, mid-term or long-term. Goals and challenges are basically 2 sides of the same coin. When you overcome a challenge, you also move closer to your goal.

- Use self-talk to *improve your approach to problems*, e.g.

  (i) "I am good at breaking large obstacles down into smaller pieces that are easier to handle. And I never make any problem seem bigger than it actually is."

  (ii) "I do not fear problems, I solve them. I do not avoid problems, I conquer them!"

- You can also use self-talk to *target specific problems*. Be simple, direct, and craft a self-talk for each aspect of the goal/problem. For example, if your goal is to become more organized, you could use statements like:

  (i) "I know what to do and when to do it, and I do everything I need to do, when I need to do it."

  (ii) "I program my mind to make the maximum use of my time. I am in control of my time and how to use it."

Motivational self-talk. The best way to motivate anyone is to influence their emotions.

- Use self-talk to *uplift yourself emotionally*, boost your confidence, self-belief, and sense of purpose. Examples include:

  (i) "Today is one of those days when nothing can stand in my way. When I need extra determination, I've got it! When

KEY QUOTES

"The attitudes you have about yourself determine the attitudes you will have about everything else around you."

"Some of the most important goals of all...are the goals of everyday living."

"Name the adversary, state the problem, and you can find the self-talk that created it."

"If you would like to be in control of the forces in your life which influence and affect everything you do, then you most certainly would like to be in control of your own motivation."

(ii) I need more energy and drive, I've got it! No matter what the task is, I have the power to get it done and the patience to see it through."

(iii) "I have a lot of energy and I feel alive!"

Our physiology can be changed in an instant, e.g. you may be dozing off but a loud crash gets you jumping up in full alertness. Use situational self-talk to instantly shift your mental, emotional, or physiological state.

- *Change your words to change how you see the situation*. All it takes is just a moment. For example, you're receiving a call from someone you dread talking to. Instead of avoiding the call, tell yourself "I love solving problems. I'll take this call and address the issues head-on." Unlike the other types of self-talk, situational self-talk doesn't require a script. There's also no need to use the present tense since you're preparing for an upcoming activity.

- A single event can create a chain reaction to form a positive or negative cycle. Positive self-talk puts you in a *better frame of mind*, so you can respond in a way that can (i) save yourself hours or days of pain and grief, and (ii) build your confidence and self-esteem.

- When you encounter *events beyond your control* (e.g. bad weather or slow traffic), there's no point complaining or losing your temper. Use self-talk to help yourself accept or even enjoy the situation. For example: "Slow traffic is not a problem to me. I now enjoy the time to organize my thoughts and think about things that are beneficial to me. I will get there when I get there."

Applying Self-Talk to All Aspects of Life

Self-talk is a self-reinforcing habit. The earlier you start using it, the faster you'll form new, positive ways of talking to yourself.

- You may feel some *initial resistance*, e.g. an inner voice telling you that it won't work. Just remind yourself that it takes time to change old habits, and consciously choose *not* to listen to your old programming.

KEY QUOTES

"[Situational Self-Talk] adjusts situations by adjusting how we look at them."

"The more productively we think, the more positively we affect ourselves emotionally and physically."

"If you have made the decision to be in control of yourself, you will talk to yourself in the right way—immediately, directly, realistically, and positively."

- Energize your self-talk by *reading them aloud*, ideally in front of a mirror. The process may feel awkward at first, but it will feel more natural with practice.

- As you *repeat* the messages over and over, you'll start to feel better mentally, emotionally, and physically. Once you improve how you see yourself, it will be easier for you to address specific goals or challenges. Eventually you'll internalize the words to make them a part of your life and who you are.

Anyone can benefit from self-talk since our brains work the same way. You can also apply self-talk to any area or challenge in life.

- If you're in *management*, you can use self-talk to positively shape your own perspectives, attitudes, feelings and actions, and teach your team members to do the same.

- To improve your *financial health*, use 3 weeks of self-talk to see yourself as someone capable and worthy of financial success. Then, develop goals and plans to make it a reality.

- When *parents* use positive self-talk, their children often pick it up naturally as part of their early programming. Developing positive self-beliefs in children is the best way to help them to grow up to do the right things.

- Use self-talk to overcome any *problem or obstacle*. Set clear, meaningful goals and write them down, then use daily self-talk to make it easier to achieve them.

- To improve your *skills or studies*, use self-talk to improve your ability to listen, concentrate, persevere, build good learning habits, and sharpen your memory.

- If you're feeling *lonely or depressed*, use positive self-talk to change how you see yourself and the situation.

To get started, here are several steps you can take.

- In the next 48 hours, *listen carefully* to the self-talk around you.

  (i) Listen to *your own self-talk*. Notice how you react to risks, problems and opportunities, the positive and negative things you say/think about yourself, and the type of internal responses they generate.

KEY QUOTES

"When you determine who you really are inside, and what you are really capable of accomplishing, it is much easier to see what to do next. Start with your programming; the rest will follow."

"If you'd like your child to do the right things, start at the beginning. Start with his or her Self-Talk."

"Any well-set goal deserves the benefit of well-said words."

"Add Self-Talk to your curriculum. You'll get more from school and more from yourself."

(ii) Listen to *others' self-talk*. Notice what they say about themselves, about people/things around them, and how it reflects their beliefs and external motivations.

- For 7 days, pay attention to *media-talk*, i.e. the messages from TV, radio, news media, and what people say about such media-talk. Notice the external influences shaping what you think you should do.

- Once you're aware of the self-talk from yourself and others, you can *decide what to accept and what to replace*.

- You can start by converting your *10 "most-used" negative self-talk* into positive self-talk. For example:

  (i) "I really must exercise more" can be reframed into "I enjoy exercising and look forward to my daily exercise".

  (ii) "What a terrible day it has been!" can be reshaped into "Today was alright. I feel good about myself and it will be even better tomorrow!"

- Use this *checklist* to ensure you've worded your self-talk properly.

(i) It is stated in the *present tense* (except for situational self-talk).

(ii) It is *specific*, with details to address all aspects of the goal or problem.

(iii) It gets the job done without undesired side effects, e.g. "losing weight at all costs" could mean hurting your health.

(iv) It is *simple*, easy to use and remember.

(v) It is *practical*. Start with what you can achieve, then gradually stretch your limits. Don't aim for miracles right away.

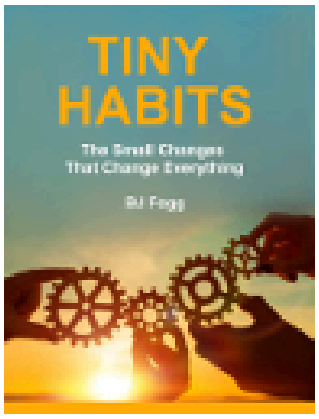
(vi) It is *direct, personal and honest*, to address where you are now and who you wish to become.

(vii) It demands the *best of you*.

KEY QUOTES

"You are everything that is, your thoughts, your life, your dreams come true. You are everything you choose to be. You are as unlimited as the endless universe."

"Vague directions lead to vague results. The more specific you are, the more specific the directions you will be giving yourself."



TINY HABITS

The Small Changes That Change Everything

B.J. FOGG PHD

The Big "So What"

Change is essential, but not always easy. In this book, behavioral scientist Dr. Fogg presents a proven, universal approach to help you understand all types of human behavior, and to design any behavioral change or habit.

Introduction

Everyone desires change at some point in life—be it to become healthier, to learn a new skill, or to improve our relationships and productivity. Yet, it can be hard to break a bad habit or to build a new one.

- After years of research and experiments, Fogg found that the problem with change doesn't lie with us as individuals, but with our approach. This book presents the *Fogg Behavior Model* (a universal model for analyzing and designing all types of human behavior), and *Tiny Habits* (a method to develop habits using baby steps). Together, they can help you to achieve any behavior change.

- This system has been tested with more than 40,000 people and can work for virtually *any behavior* at work, at home, for individuals or groups. In this summary, we've organized the various models, methods and steps into 2 parts:

  (i) An overview of the conceptual frameworks; and

  (ii) The specific steps for behavioral design using Tiny Habits.

KEY QUOTES

Part 1: Understanding Human Behavior

Fogg Behavior Model: The 3 Elements of Behavior (MAP)

The Fogg Behavior Model says that there are 3 universal elements behind human behavior.

B = M A P

Behavior = Motivation + Ability + Prompt

- *Motivation* refers to your desire to do something. The more motivated you are, the more likely you'll perform the action.
- *Ability* refers to your capacity to do the action. The easier the action is, the more likely you'll do it.
- *Prompt* refers the cue to do something, e.g. a reminder for a meeting. No action will take place without a prompt.

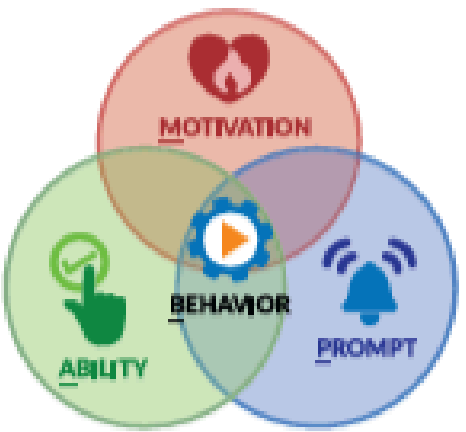
A behavior will occur when all 3 elements converge. For example, you'll donate to a charity if you already wish to donate (motivation), you receive a reminder to donate (prompt) and can donate easily by replying to the text message (ability).

- Once you understand how the elements work, you can use them to design almost any behavior. If someone isn't doing what you want or expect, check if *all 3 elements* are present:

  (i) Is there a prompt for the behavior?

  (ii) Is the person able to do the behavior?

  (iii) Is the person motivated to do the behavior?

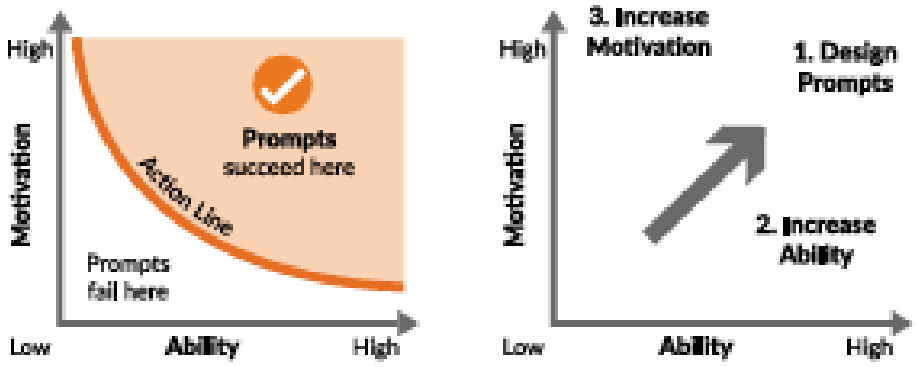


- The goal is to *shift above the "action line"* using MAP:

KEY QUOTES

"Behaviors are like bicycles. They can look different, but the core mechanisms are the same. Wheels. Brakes. Pedals."

Fogg Behavior Model
(B = MAP)



* Adapted from Tiny Habits by BJ Fogg

For each of the 3 behavioral elements (MAP), there are 3 sources that shape behavioral change: Person, Action and Context (PAC).

	Person	Action	Context
Motivation	Does the person want to do it?	Are there external rewards or punishments?	Does the environmental affect motivation?
Ability	Can you increase skill levels?	Can you make it smaller/easier?	Can you get tools & resources?
Prompt	Are there internal or self prompts?	Can existing actions prompt new actions?	Can environmental cues prompt action?

Behavior Change Element #1: Motivation

Motivation refers to your desire to do a specific behavior (e.g. eat broccoli for dinner) or a set of behaviors (e.g. have a healthy diet).

- Your motivation level depends on *3 sources of motivation (PAC)*:

  (i) *Person*: Do you already want to do the action?

  (ii) *Action*: Is there an external reward or punishment for doing the action?

  (iii) *Context*: How does the environment affect your motivation?

Motivation is the least reliable of the 3 elements because:

KEY QUOTES

- We get caught in a *constant tug-of-war* between different factors. For example, you want to donate to a charity to make a positive impact and to enjoy tax reliefs, but hold back because you dislike the representative from the charity organization.

- You may also have *conflicting motives*, e.g. you want to eat a slice of chocolate cake but you don't want the extra calories.

- Motivation also comes in *waves*. You may get a temporary spike of motivation that drives you to quit your job or start on your New Year's Resolution, but you can't sustain your efforts once the wave passes.

- Your motivation level also *fluctuates* from day to day, and even moment to moment. You may feel less motivated to stick to a healthy diet during festive seasons, when you're really hungry, or when you're feeling overwhelmed at work.

The solution is to use **Behavior Matching** to identify the behaviors you already want to do (see Part 2 for specific steps).

Behavior Change Element #2: Ability

Generally, we avoid difficult activities. Even if you can force yourself to do something painful, you'll struggle to sustain it. That's why many people get stuck in a burst-and-bust cycle. They do something dramatic then deflate totally, e.g. do 2 hours of extreme exercise daily, then give up after 1 week because they've exhausted (or even injured) themselves.

- You're more likely to do something that's easy. So, *start with tiny habits* that are easy to do, then build from there. If you want to do 50 push-ups a day, start with just 1 push-up.

Examine **5 factors in the ability chain** that affect your ability to perform a behavior: time, money, physical ability, mental ability, and how well it fits into your current routine.

KEY QUOTES

"Motivation is like a party animal friend. Great for a night out, but not someone you would rely on."

- Identify the *weakest links* in the chain by asking "What's making this hard to do?"

- Then ask, "How can I make this easier to do?" by considering the *3 sources of ability (PAC)*:

  (i) *Person*: How can you increase your skills so the action becomes easier to do? Examples include: doing online research, attending a course, getting a coach, etc.

  (ii) *Action*: How can you make the behavior as tiny as possible? For example, if you want to journal daily, start by opening your journal.

  (iii) *Context*: How can you use tools and resources to make the action easier? For example, it's easier to prepare a healthy meal if you have the right kitchen tools/equipment or a predetermined meal-plan.

KEY QUOTES

"While small might not be sexy, it is successful and sustainable."

Behavior Change Element #3: Prompt

Even if you have the motivation and ability, you won't do an action unless there's an **effective prompt** that's noticeable and appears at the right time.

- Again, there are *3 sources of prompts (PAC)*:

  (i) *Person*: Relying on an internal reminder (e.g. memory or a grumbling stomach), which can be highly unreliable.

  (ii) *Context*: Using something in your environment as a cue, e.g. an alarm going off, or a sticky note on your computer. Remove unwanted prompts (e.g. notifications from your digital devices) so your desired prompts can stand out.

  (iii) *Action*: Using something you already do (an anchor) to prompt something you want to do (a new habit). For example, "After I brush my teeth, I will floss one tooth", or "After I have a drink of water, I will do a push-up".

Part 2: Behavior Design and Tiny Habits

Fogg found that the best way to make a behavioral shift is to go small. Tiny habits are so effective because:

- They're *fast* to do, can fit into any schedule and allows you to start now.
- They're *safe*, unlike big or risky actions. If you make a mistake, it's easy to try again.
- They're so tiny/easy that you don't need to rely on your limited *willpower*.
- Yet, they *add up* over time to deliver dramatic changes.
- Tiny Habits are built on the Fogg Behavior Model and proven steps in behavior design. Basically, you use 7 steps to identify a desired behavior, make it tiny, fit it into your life, then cultivate it naturally.

Behavior Matching (Motivation)

Step 1: Clarify your aspirations. Write down your general aspirations or the specific outcomes you want, e.g. to "feel healthy and energetic everyday" or "lose 10kg".

Step 2: Explore your behavior options.

- Imagine you have a *magic wand* that allows you to do anything you want to achieve your goal/aspiration. Jot down:

  (i) The new behaviors you'd do once;

  (ii) The new habits you'd develop; and

KEY QUOTES

"One tiny action, one small bite, might feel insignificant at first, but it allows you to gain the momentum you need to ramp up to bigger challengers and faster progress."

"The essence of Tiny Habits is this: Take a behavior you want, make it tiny, find where it fits naturally in your life, and nurture its growth."

(iii) The current habits you'd stop.

- Don't confuse aspirations/outcomes with behaviors. An abstract aspiration may inspire you, but it won't tell you exactly what to do. Goals like "lose 10kg" or "save $10,000 of emergency funds" are outcomes. Here, you're looking for *specific behaviors* that can lead to those outcomes, e.g. "replace ice-cream with a square of dark chocolate for dessert" or "put $2 a day into an emergency-fund jar."

★ Step 3: Find a behavioral match. Take 20 minutes to do a Behavior Matching exercise.

- Put each idea above onto a card. Use *Focus Mapping* to plot:

  (i) How *effective* the idea is for achieving your goal/ aspiration. Place high-impact behaviors higher on the map.

  (ii) How *feasible* the behavior is: can you get yourself to do it?

  - Focus on whether you *want* to do it (not if you *should*). If you really don't want to do something, put the card aside.

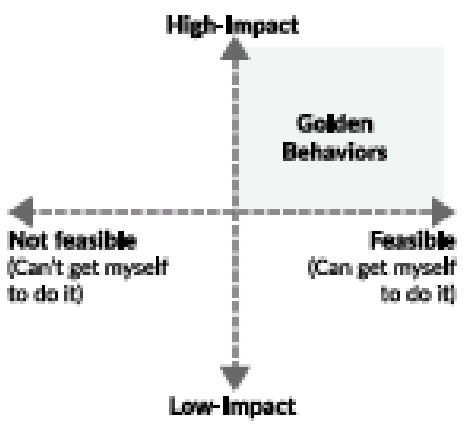
  - Once you've identified what you want to do, you can craft the behavior such that you'll actually do it. For example, if you want to exercise daily, the next thing is to figure out the type/level of exercise that you'd do regardless of how busy or tired you are.

- Your goal is to find the *Golden Behaviors* that meet 3 criteria:

  (i) *Impact*: it can effectively help you to achieve your goal.

  (ii) *Motivation*: you want to do it.

  (iii) *Ability*: you can do it.



These will fall on the top-right corner of your map. They represent the things that you can do and want to do, making it much easier to do the actions and develop new habits.

KEY QUOTES

"No matter what kind of change you want to make, matching yourself with the right behaviors is the key to changing your life for good."

"What you want to do and what you can do will converge into what you most likely will do, and that's the most fertile ground for growing habits."

Design a Tiny Habit (Ability + Prompt)

Step 4: Start with the tiniest action. The easier the action, the greater your ability to perform it.

- Identify a *Starter Step* that's so easy that you have minimal resistance. For example, if you want to run 5km, start by putting on your running shoes. If you want to do 100 push-ups, start by doing just 1 push-up or 2 wall push-ups.

- Once you take that first step, you'll feel good about yourself and the activity, and may end up taking extra steps. Even if you stop at the Starter Step, celebrate it (see step 6 below). The idea is to *lower the bar* until you'll do the Starter Step even on a "bad" day.

- For example, *Instagram* actually started out as a location-sharing app Burbn. The founders realized that people were naturally sharing pictures of their location (the Golden Behavior) but weren't using the other features. So, they removed the extra features, made it easy for people to share photos, and relaunched the app as Instagram with a roaring success.

Step 5: Identify a good prompt to fit the behavior into your existing routine.

- Use Fogg's *ABC template* to design your Tiny Habits: Anchor → Behavior → Celebration.

  (i) Anchor moment = a stable routine or habit in your life.

  (ii) Tiny Behavior = the new habit you want to develop, scaled down into a tiny step.

  (iii) Celebration = something to create a positive feeling ("Shine")

- Identify the series of steps that you already perform in a daily routine, then insert the tiny behavior using this *formula*: After I [insert anchor], I will [insert new habit]. For example:

  (i) After I sit up in bed, I will say "It's going to be a great day!"

KEY QUOTES

"Taking the first step, no matter how small, can generate a sense of momentum that our brains love."

"Combine the right behaviors with the right chronology, and, poof, a new habit is created."

(ii) After I make my coffee, I will open my journal.

- Pair a new habit to an anchor based on *3 criteria*:

  (i) The *physical location* where you want to build the habit;

  (ii) The *frequency* you wish to perform the habit (e.g. 2x a day); and

  (iii) The *theme/objective* (e.g. watering the plants and drinking water are both associated with hydration or nourishment).

- You can try these *tips and variations*:

  (i) Break down a routine to find the *last step in the sequence*. For example, "after I eat breakfast" is less specific than "after I place the breakfast dishes in the sink".

  (ii) You can *reverse the process*, i.e. think of an anchor then think of new habits you can insert.

  (iii) Develop "*meanwhile habits*" to fill pockets of time, e.g. "After I take my place in the queue, I will think of 1 thing I'm grateful for."

  (iv) Explore *prompts for your customers*, e.g. get a patient to measure and report his blood pressure after he sits down with his morning coffee.

  (v) Create *pearl habits* to convert something negative to positive, e.g. "After I hear the neighbor's dog barking, I will take a deep breath" or "After I feel disrespected, I will do something nice for myself."

Nurture/Grow the Habit

Step 6: Celebrate Success. Each time you complete your tiny behavior, make sure you celebrate it. For example, after flossing 1 tooth, Fogg would smile at himself in the mirror and say with enthusiasm "Victory!" This makes him feel good about himself and flossing his teeth.

- *Emotions are what create habits*. We tend to repeat things that make us feel good, and avoid things that make us feel

KEY QUOTES

"Emotions create habits. Not repetition. Not frequency."

bad. Positive experiences encourage us to repeat something until it becomes automatic—that's how habits are created.

- The positive feeling must occur almost *instantaneously* for your brain to link it to the behavior. A delayed reward (e.g. treating yourself to a massage 2 days later) won't work.

- Celebrations are one of the best ways to create the positive feeling of *Shine*—that inner sense of success when you've won a contest, aced a test, or receive a standing ovation.

  (i) Make sure your celebrations are immediate and intense.

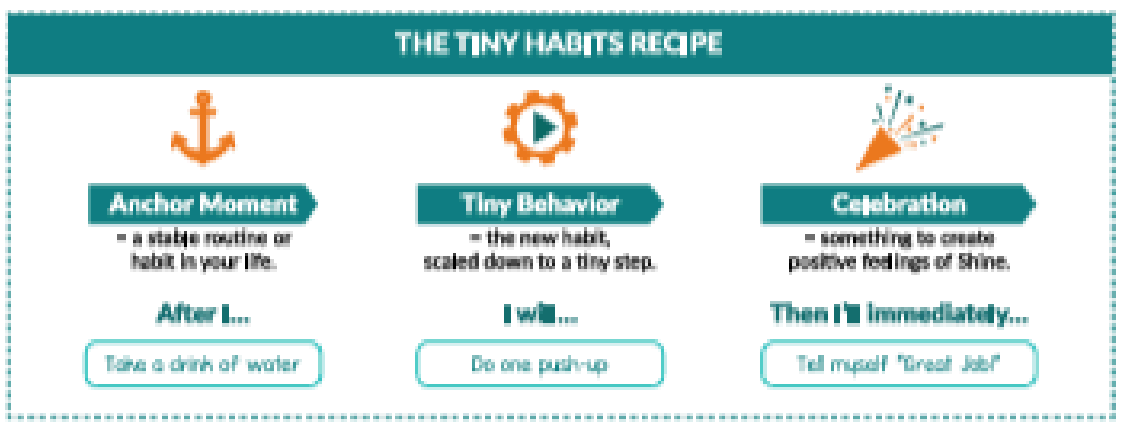
  (ii) Experiment to find what works for you, e.g. shouting "yay!", doing a double fist-pump, visualizing a room of people clapping for you, or thinking "Great job!"

  (iii) Try out different ways to celebrate in public and in private.

  (iv) Reserve a "power celebration" exclusively for habits you want to wire rapidly.

  (v) Don't just celebrate after the action. You can also celebrate when you remember to do the habit, and while you're doing the habit.

- You can combine steps 6 and 7 into this *template*:



- To *wire a habit quickly*, repeat the ABC sequence 7-10x consecutively, e.g. sit down with your coffee, open your journal, say "yay!" with a fist-pump, then stand up and repeat the sequence. It may sound silly, but it truly helps to lock in a new habit.

KEY QUOTES

"Helping yourself feel successful is what Tiny Habits is all about."

"The feeling of success is a powerful catalyst for change."

Step 7: Troubleshoot, iterate, and expand. Tiny Habits grow and multiply naturally to create exponential results over time.

- Tiny habits tend to have a *transformative effect* because:

  (i) Once you get used to a tiny habit, you'll want to increase it;

  (ii) Each habit creates a ripple effect in the wider system of behaviors; and

  (iii) The tiny successes build your confidence and momentum.

- Each time you use the 7 steps to form and refine a Tiny Habit, you'll progressively improve your *change skills*, including:

  (i) *Behavior crafting*: Identifying specific behaviors that match you, and figuring out when/how to add new habits effectively;

  (ii) *Self-insight*: Becoming clearer on your goals and aspirations;

  (iii) *Change process*: Learning how to push yourself forward;

  (iv) *Context*: Learning to design your environmental cues; and

  (v) *Mindset*: Learning to approach change with curiosity, flexibility and patience, celebrate every success, and embrace a new identity.

Untangling Unwanted Habits

When we fail to break our bad habits, we tend to feel guilty and inadequate, making it even harder to change those habits. The best way to change an unwanted habit is to untangle it gradually in 3 phases, just like how you undo a knot.

- *Create new habits*. Start by forming tiny, positive habits to improve your self-identity and crowd out your bad habits.

KEY QUOTES

"Celebration is the bridge from tiny habits to big changes."

"You're a Habit Ninja, not a conformist. Find what works for you."

"Creating positive habits is the place to start, and creating tiny positive habits is the path to developing much bigger ones."

- Once you're familiar with the Behavior Model and feel confident about yourself, use the 3 elements (MAP) to *stop old habits*:

  (i) Define the general habit you want to change (e.g. stop taking sugary foods), identify your behavior options, and *choose 1 specific behavior* that's the easiest to do (e.g. stop putting sugar in your coffee).

  (ii) Remove, avoid or ignore the *prompt* for that habit (e.g. move the sugar tin away from the coffee machine to the back of your cupboard).

  (iii) If you can't get rid of the prompt, then make it *harder* to do the habit by targeting the ability chain (time, money, physical effort, mental effort, and routine). For instance, try removing all ice-cream from your fridge so you must go out to buy ice-cream just to satisfy a craving.

  (iv) If you can't remove a habit totally, work on *reducing* it instead, e.g. eat less sugary snacks instead of none.

- If the above still doesn't work, then *swap an old habit with a new one*. Whenever you encounter the prompt, adopt a different response, e.g. each time your stomach growls, reach for an apple instead of a chocolate cake.

Making Collective Changes

Behavioral change takes time. However, each positive shift will create ripple effects to improve not only your confidence, success and happiness, but also impact others around you. Fogg's approach can be summed up with 2 maxims:

- *Fogg Maxim #1*: "Help people do what they already want to do."
- *Fogg Maxim #2*: "Help people feel successful".

Our behaviors (e.g. what we eat, do or talk about) are strongly influenced by social factors.

KEY QUOTES

"We shape our families, communities, and societies through our actions. And they shape us."

- As you engage in behavioral design, consider the *social dynamics* that affect the habits you want or don't want.
- You can also design changes to help others around you, or work with others to design positive, *collective changes*.

The behavior design process can also be used for group changes.

- You could approach a group change openly as the Ringleader by sharing the process and leading others through it. Alternatively, you can approach it like a *Ninja* by using behavioral design to subtly influence changes without others' awareness.
- Go through all *7 steps*:

(i) Clarify your aspirations together. Even if you're operating in Ninja mode, you can still ask clarifying questions like, "Can I confirm if this is our objective?"

(ii) Explore behavior options together, or ask subtle questions in Ninja mode (e.g. "What do you want to see happen?")

(iii) Match the group with their Golden Behavior.

(iv) Make the Golden Behavior easy for everyone to do.

(v) Find a way to prompt the Golden Behavior with PAC.

(vi) Celebrate success.

(vii) Troubleshoot and iterate together.

Getting Started

Tiny Habits allow you to pick virtually any behavior, make it tiny and incorporate it into your daily routine.

- If you're still unsure where to begin, Fogg recommends starting with the *3-second Maui Habit*: Once you wake up and step out of bed, say "It's going to be a great day!" This creates a subtle shift to generate rippling effects throughout your day.
- You can also try the numerous *exercises and ABC recipes* in Fogg's book.

KEY QUOTES

"Behavior Design is...about becoming the person you want to be—and creating the kind of family, team, community, and world we want to live in."

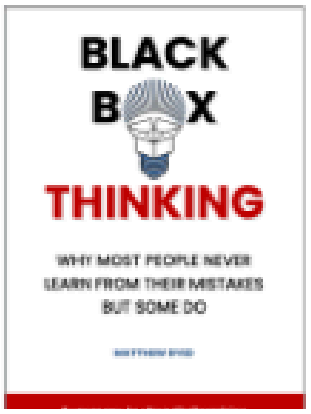
Other Details in the Book to Look out For

In the book, Fogg presents many examples, exercises, and illustrations of his behavior design models, methods, and insights. He shares a wide range of stories about behavioral change, from flossing one's teeth, to multiplying one's income, to reducing stress in a hospital. The book also includes appendices with a script for teaching the Fogg Behavioral Model, flowcharts for the 3 phases of untangling unwanted behaviors, 32 ways to frame success, 100 ways to celebrate, and 300 tiny habit recipes to tackle different types of challenges. For more details and resources, please visit https://tinyhabits.com/.

About the Author

Brian Jeffrey Fogg (born 1963) is an American social scientist and author. He's a research associate and adjunct professor at Stanford University, and the founder and director of the Behavior Design Lab. He has published several papers, authored/co-authored several books. For more details please visit www.bjfogg.com.

KEY QUOTES



BLACK BOX THINKING

Why Most People Never Learn from Their Mistakes—But Some Do

MATTHEW SYED

The Big "So What"

Everyone makes mistakes. It's how you respond to those mistakes that'll determine whether you succeed or fail in the long term. Specifically, your ability to learn from failures decides whether you repeat the same errors or use them as building blocks to move toward success. This book explains how to harness the power of failure to grow, improve and succeed.

Introduction

To learn from failures, you need the right systems and mindsets. This is exemplified by the aviation industry and its progressive approach to failures:

- There're *2 black boxes* on an aircraft: one that records mechanical information (e.g. fuel levels), and another that records sounds in the cockpit (including the pilots' conversations). During accident investigations, these black boxes provide holistic, unbiased information to uncover what happened, so corrective measures can be taken to prevent future accidents.

- Pilots are typically rewarded (not penalized) for reporting mistakes. Accidents are investigated in depth and insights are shared throughout the industry to facilitate *learning and improvement*.

In this book, Syed examines case studies from many domains and industries—from healthcare to aviation, non-profits and sports—to show why some people/organizations fail to learn from mistakes while others use them to improve and succeed. In this summary, we've organized the key ideas in 2 parts:

KEY QUOTES

"If we wish to fulfill our potential as individuals and organizations, we must redefine failure."

"Learning from mistakes relies on two components: first, you need to have the right kind of system—one that harnesses errors as a means of driving progress; and second, you need a mindset that enables such a system to flourish."

- Why we must redefine failures; and
- How to learn from mistakes.

Part 1: Redefining Failures

Why We Avoid and Deny Failure

In any society, there's a tendency to avoid failures, especially when our self-image and professionalism are at stake.

Cognitive dissonance. We feel conflicted when our beliefs or self-image are threatened by our failures. In such cases, we can either (i) accept our mistakes, re-evaluate and adjust our thinking/actions, or (ii) try to protect our ego by denying the error and twisting the facts. Most people tend to adopt the latter. Research shows that we may even erase such failures from our memory. The greater our personal stakes, the more likely we'll experience failure-denial. That is why professionals (whose self-identity and image are strongly tied to their work) often find it hard to admit to their mistakes.

- In 1987, Jimmy Bromgard was convicted of rape and sentenced to prison for 40 years. 13 years later, new DNA tests proved that the crime scene DNA did *not* match Bromgard's, i.e. he had been wrongly convicted. The prosecutor for the case refused to accept the new evidence, since it'd mean that he had made a huge professional mistake in the past. Instead, he came up with many reasons to refute the DNA results, including absurd alternatives (e.g. Bromgard was a chimera with 2 blood types).

- In 2003, the U.S. invaded Iraq on the basis that the latter possessed weapons of mass destruction (WMD). Even when it became clear that there was no WMD in Iraq, more than half the Republicans denied the evidence and insisted that they believed the WMD had been found.

KEY QUOTES

"We cover up mistakes, not only to protect ourselves from others, but to protect us from ourselves."

"The more we have riding on our judgments, the more we are likely to manipulate any new evidence that calls them into question."

"When we are confronted with evidence that challenges our deeply held beliefs we are more likely to reframe the evidence than we are to alter our beliefs."

- In 1954, a cult claimed that the world would end in a flood on 21 Dec 1954, and an alien spaceship would arrive to save believers. Cult members quit their jobs and devoted themselves to spreading the word. When the doomsday hour passed with no flood or spaceship, the members refused to admit their mistake. Instead, they claimed that they had saved the planet with their faith, and went on to recruit even more members.

Such examples may sound ludicrous, yet we don't realize it when we ourselves are thinking and acting in the same way.

A related psychological bias is the confirmation bias: we tend to look for facts that confirm our views and filter out the rest.

- In an experiment, volunteers shared their views on capital punishment before they were given 2 reports—one with strong evidence *for* capital punishment and the other with strong evidence *against* it. After reading the reports, volunteers *stuck to their original views*—they cited only evidence from the report that supported their views and dismissed the evidence in the other report as flawed.

- The more *experience or expertise* we have in an area, the more entrenched we become in our beliefs and perspectives, and the more we resist conflicting evidence.

Anticipating and avoiding blame. We're all prone to the fundamental attribution error, i.e. we tend to assign blame to people instead of situational factors. When things go wrong, we're quick to blame others. This keeps us from considering the complexities of a situation, blocks us from identifying the real causes, leads people to hide their mistakes, and hurts those who're unfairly blamed. Everyone loses as a result.

Culture. When cognitive dissonance and blame-avoidance becomes the norm, people don't even *realize* that they're evading their errors. As a result, honest and well-meaning people may end up perpetuating the very problems they seek to solve. For example, in most hospitals, it's taboo for junior staff and nurses to speak up against senior staff and doctors. Errors are rarely disclosed because of (i) a fear of backlash, and (ii) because the medical staff genuinely don't know that they've erred. Medical errors are often

KEY QUOTES

"Intelligence and seniority when allied to cognitive dissonance and ego is one of the most formidable barriers to progress in the world today."

"The most effective cover-ups are perpetrated not by those who are covering their backs, but by those who don't even realize that they have anything to hide."

reframed as "one-off accidents" or "complications" instead of being properly examined. Thus, the same errors get repeated over and over, leading to millions of preventable deaths and tragedies.

Why We Avoid and Deny Failure

Failures tell us that there's a gap between our expectations and reality. They offer valuable information about what went wrong and how we can adjust our assumptions and approach.

There are 2 types of mistakes:

- Mistakes that occur because we *don't know the answer* (e.g. a pharmaceutical company trying to find a drug for a disease); and
- Mistakes that we make even though we *know the answer* (e.g. a surgeon forgetting a standard procedure in a surgery).

In either case, the ability to learn from mistakes is crucial for future successes.

Specifically, we can approach failures in 2 ways:

- In *closed-loop systems*, people do not learn from failures. Data from errors are ignored, and the same mistakes get repeated over and over, often unknowingly.
- In *open-loop systems*, data from failures are collected, examined and the resulting patterns/insights are translated into practical learning points to facilitate system-wide improvements.

Your approach to failure determines your outcomes. This can be seen in the contrast between the healthcare and aviation industries.

- As of 2013, there was only 1 aviation accident per 2.4 million flights for Western-built jets. On the other hand, there were so many people dying from preventable medical errors that it was equivalent of two B747 aircraft crashing daily.

KEY QUOTES

"Failure is…a signpost. It reveals a feature of our world we hadn't grasped fully and offers vital clues about how to update our models, strategies, and behaviors."

"When people don't interrogate errors, they sometimes don't even know they have made one."

- Elaine Bromiley died from brain damage after what was supposed to be a routine operation. When her husband Martin tried to find out what happened, he was told that such inquiries weren't done in healthcare, and Elaine's death was an unexpected complication that couldn't have been avoided. In reality, Elaine had trouble breathing after the anaesthesia was administered. The doctors couldn't diagnose the cause and got so preoccupied with trying to insert a tube down her airways that they didn't hear a nurse's suggestion for a tracheotomy which could've saved Elaine's life. Martin finally secured an investigation which uncovered many areas for improvement, and led to recommendations that helped save many other patients' lives.

- By contrast, the crash of American Airlines' Flight 173 in 1978 was investigated in depth as a norm in the aviation industry. This led to the development of NASA's Crew Resource Management procedure, which was tested, refined, and shared with all airlines to help improve their crew communication and crisis management skills. The number of aircraft accidents fell significantly since the 1970s, and countless lives were saved due to those new processes.

In reality, failures are essential building blocks to success.

- In any competitive sport or craft, you can only gain mastery through *repeated practice*. Football legend David Beckham started practicing kick-me-ups since he was 6 years old, trying to keep the ball in the air as long as possible. After 3 years of daily practice (and lots of trial-and-errors), his kick-me-up record increased from 5 to 2003. He then moved on to practicing free kicks, doing tens of thousands of practice kicks (and refining his techniques with each failure) to master his technique.

- However, practice is only effective with *instant feedback*, e.g. Beckham could only refine his kicks based on the results of his previous attempts. In situations with delayed feedback—e.g. radiologists diagnosing tumors or psychotherapists treating mental illnesses—it's much harder to learn what truly works.

KEY QUOTES

"Learn from the mistakes of others. You can't live long enough to make them all yourself."
—Eleanor Roosevelt

"If a culture is open and honest about mistakes, the entire system can learn from them. That is the way you gain improvements."

"This is the paradox of success: it is built upon failure."

"Feedback, when delayed, is considerably less effective in improving intuitive judgment."

- *Science* is a great example of a discipline that systematically uses mistakes to make progress. Scientists are constantly testing their theories to confirm what they know, while seeking contradicting info that can disprove their theories. For example, if you only conduct tests at low altitudes, you may conclude that water boils at 100°C. However, the statement "water always boils at 100°C" will be disproved once you conduct tests at a higher altitude.

The good news is, with the right systems and mindset, any person or organization can start to learn from mistakes.

- To reduce preventable medical errors, Dr. Kaplan introduced a Patient Safety Alerts system at Virginia Mason for the hospital staff to report mistakes. Initially, very few reports were made due to the deeply-entrenched culture.

- The wake-up call came when an old lady died in 2004 after being injected with a wrong substance. As people started to report mistakes (and were praised instead of penalized), the culture began to shift. By the time this book was published, about 1,000 alerts were reported each month, allowing errors to be addressed and prevented. For example, texts were added to color-coded wristbands after the crew realized that they didn't work for color-blind nurses. Liability insurance premiums fell 74% and by 2013, Virginia Mason was rated one of the safest hospitals in the world.

Part 2: Learning from Mistakes

Closed loops are usually sustained by (i) people hiding their mistakes, (ii) reframing/justifying their errors, and (iii) interpreting data in a biased way. In this section, we'll explain how to overcome these challenges. Specifically, black box thinking is about cultivating 2 crucial components to empower people to learn from failure:

KEY QUOTES

"By finding the places where a theory fails, we set the stage for the creation of a new, more powerful theory."

- The right systems where mistakes are used to drive progress; and
- The right mindsets to support these systems.

Developing the Right Systems

In complex environments, it's impossible to know everything, and you'll inevitably encounter failures and mistakes. Instead of pretending that you're infallible or all-knowing, acknowledge your limits and build failures into your processes. Develop sound theories/plans, then test and evolve them using real-world feedback and control groups.

Cumulative selection is about using trial-and-error to test many alternatives, weed out failed options that don't work and refine viable solutions that can work. To succeed, the lessons and insights from each round of experimentation must be passed on to the subsequent rounds.

- This mirrors Nature's *evolutionary process* where only the strongest organisms survive to pass on their genes. Unilever used this approach to fix a malfunctioning nozzle in its detergent manufacturing factory. The team mimicked the process of natural selection to randomly test 10 nozzle design variations. They then replicated the best variation for the next batch of 10 design variations. After 45 rounds of tests (and systematically discarding 449 options), they had a significantly superior nozzle design.

- This approach explains why *free market economies* are so much more efficient than centrally-planned economies. In free markets, only viable businesses survive and their models/ideas are replicated by other companies. This form of "cumulative adaptation" allows only the survival of the fittest.

To succeed, you still need strong theories and concepts. The key is to test your assumptions by seeking real-world feedback, as early and frequently as possible.

KEY QUOTES

"Evolution as a process is powerful because of its cumulative nature."

"Markets work not in spite of the many business failures that occur, but because of them."

- Technologists often use the *Lean Startup approach*. Instead of trying to build a perfect product from the onset, they create a "minimum viable product" (or MVP), test it with real customers, then use the feedback to adapt the solution until they have a commercially-viable product. This approach combines top-down theories with bottom-up inputs, using an iterative approach to test, learn and improve.

- When Steve Jobs wanted to launch *Apple's retail stores*, he started by testing the retail concept in a warehouse. It took several revamps to arrive at a viable concept. He then opened 2 stores to test and refine the concept further. Finally, after rounds of feedback and changes, Apple rolled out its proven retail concept nation-wide.

- When *Dropbox* founder Drew Houston was developing his cloud storage business concept, he started by releasing an MVP—a video demonstrating how Dropbox would work. This allowed him to test if people were interested in the concept before he even wrote a single line of code. Thereafter, he secured the funds and built the program, using iterations to incorporate users' feedback.

Data, when analyzed out of context, can be misleading. To ensure that you're interpreting data meaningfully and accurately, conduct randomized control trials (RCTs) to test the counterfactual.

- For example, if your sales increased after you changed an offer on your website, you may think that the offer worked. In reality, the spike in sales could've come from an influencer recommending your product. If you had tested your website across 2 randomized groups—1 with the old offer and 1 with the new offer—you may have found the old offer to generate even more sales.

- Scared Straight was a TV program from the '70s that exposed delinquent teens to the reality of prison life, with the goal of scaring them to stay away from crime. For decades, the program was publicized as a success, based on surveys from parents. However, a scientist did a longitudinal study to compare 2 random groups of

KEY QUOTES

"It is by getting the balance right between top-down strategy and a rigorous adaptation process that you hit the target. It is fusing what we already know, and what we can still learn."

"To leverage the power of failure, you have to be resilient and open."

delinquent youths—one that went through the program and one that didn't. The results showed that teens who went through Scared Straight were actually 28% *more* likely to commit crime than those who didn't.

- In reality, most policies and interventions are done without proper tests or control groups. They're often evaluated based on a single set of observational data, leading to biased and inaccurate conclusions. To get a more valid assessment, use RCTs to compare the effects of a change against a control group that's not subject to that change.

However, RCTs are not viable on a large scale where there're too many variables to create an effective control group. In such cases, dissect a complex problem into smaller parts.

- The *marginal gains approach* is about combining measurements (to assess your current performance) with creative ideation (to discover new ideas for improvement), then applying them in an ongoing loop. Isolate a problem or variable you can test on a small scale, collect data sets and test/iterate the incremental changes. Once you've completed a trial, move on to test other variables, or to test the same variable on a larger scale. Using this approach, you can implement small changes that add up to create massive results.

- For example, to *alleviate poverty in Africa*, you can break down the problem into smaller sub-components (education, malaria, infrastructure etc.). Then, run RCTs for 1 program at a time. A group of economists wanted to improve children's grades in impoverished parts of Africa. They did a small test by giving free textbooks to 1 group of students in Kenya but not another. When this didn't produce results, they did another test using flipcharts (again with no results). In the end, they discovered a cheap and effective solution: de-worming medication. The medicine removed parasites to boost the children's growth, energy and school attendance by 25%, thereby improving their grades.

- Sir David Brailsford used the marginal gains approach to transform the mediocre *British track cycling team* into Olympic gold medalists. He achieved this by breaking

KEY QUOTES

"Science is not just about a method...it is also about a mindset."

"Success is a complex interplay between creativity and measurement, the two operating together, the two sides of the optimization loop."

"Marginal gains, as an approach, is about having the intellectual honesty to see where you are going wrong, and delivering improvements as a result."
—Sir David Brailsford

down his big goal into smaller parts. He tested and made incremental changes to many small variables, from the cyclists' bike designs to the mattresses they slept on. These small gains added up to significantly improve the cyclists' overall performance.

- This approach is also adopted by *Formula One pit stop teams*. They start by developing high-level strategies and identifying the data points needed to test each assumption. Then, they do pit stop practice-runs, examine the data, identify missing data points to be added, and do the practice-runs again in an ongoing loop. This iterative process allows them to test their strategies while collecting multiple sets of data to deepen their understanding of the problems and possible solutions.

Developing the Right Mindsets

Problems and failures are vital ingredients for innovation. The typical creative process goes like this:

- The innovator encounters a *failure or problem*, which gives him the motivation or reason to innovate.
- He *investigates* the problem, studying it from multiple angles, exploring and rejecting many options.
- A brilliant solution or *epiphany* emerges after a gestation period, and usually involves the synthesis of seemingly-separate ideas or technologies. This typically happens in 2 scenarios:

  (i) He's in a relaxed or "switched off" state (e.g. taking a stroll or shower) instead of focusing narrowly on the problem. In this zoomed-out state, the brain is more likely to make creative associations to see new solutions.

  (ii) He's facing disagreement, critique, or contradicting info, which forces him to consider the problem from new perspectives. That's why groups with diverse backgrounds tend to be more creative.

KEY QUOTES

"If you break down a big goal into small parts, and then improve on each of them, you will gain a huge increase when you put them all together."

"Removing failure from innovation is like removing oxygen from a fire."

"Without a problem, without a failure, without a flaw, without a frustration, innovation has nothing to latch on to."

"Creativity is just connecting things."
—Steve Jobs

- The innovator must now put the idea to the test, going through rounds of *iteration* (test → fail → refine → test again) until he arrives at a viable solution.

In short, successful innovations don't happen overnight. They take months or years of research, conceptualization, marginal changes, and failures, all of which cumulate in a breakthrough. This requires discipline and persistence.

- *James Dyson* first conceived the notion of a bagless vacuum cleaner when he was struggling with a vacuum bag choked with dust. He researched and incubated the idea for 3 years before he had an epiphany—to combine a vacuum cleaner with a sawmill. Thereafter, he relentlessly created and tested >5000 prototypes before he arrived a design suitable for commercialization. Dyson certainly wasn't the first to conceive a cyclone vacuum cleaner, but he was the first to persist through many failures to create a workable model.

- Likewise, *Pixar* doesn't create blockbuster movies like "Toy Story" or "Finding Nemo" by chance. After a storyline is conceived, every frame and element is discussed, critiqued and tested. A typical film goes through >125,000 iterations before the final storyboard is delivered. There are so many changes that the final movie often ends up being totally different from the original concept.

Cultivate a growth mindset, i.e. the belief that people can change and learn from mistakes (as opposed to a fixed mindset that your skills/abilities can't be changed).

- Psychologist Carol Dweck found that children with a growth mindset saw challenges as *learning opportunities* and were more perseverant compared to those with fixed mindsets. Companies with growth mindsets were more open to collaboration and sharing mistakes, whereas those with fixed mindsets were more preoccupied with hiding mistakes and avoiding blame.

- Willpower and discipline *can* be nurtured. *The more you overcome challenges, the easier it becomes*. In an experiment, a group of students was given easy tasks that they excelled in, while another group was given harder tasks that they struggled with. When both groups were

KEY QUOTES

"Insight often requires taking a step back and seeing the big picture....But to make a creative insight work requires disciplined focus."

"Winners require innovation and discipline, the imagination to see the big picture and the focus to perceive the very small."

"We progress fastest when we face up to failure—and learn from it."

"If we interpret difficulties as indictments of who we are, rather than as pathways to progress, we will run a mile from failure."

later presented with a tough problem, the 1st group became demoralized quickly while the 2nd group embraced the challenge and even asked for more. Don't allow your self-esteem or the fear of failure to handicap you—instead, use each challenge and failure as an opportunity to grow.

To embrace mistakes, facilitate learning and growth, we must shift away from a culture of assigning/avoiding blame to a culture that's fair and transparent.

- Employees must be able to *trust* their leaders and organizational systems to evaluate mistakes fairly and transparently. Differentiate between honest mistakes and justifiable blame (e.g. negligence). Give people the room to fail and learn from mistakes.

- Create *supporting systems* to identify and report errors, collect and analyze data sets, diagnose mistakes and share corrective actions and insights.

KEY QUOTES

Putting it Together

With the right systems and mindset, we can start to transform *any* area of failure into stepping stones for success.

- In the past, the legal and criminal system was considered to be infallible. The discovery of DNA brought new evidence to suggest that hundreds of men had been wrongfully convicted of rape. The Innocence Project was founded to exonerate wrongly-convicted individuals using DNA tests. Initially, they faced strong resistance from judges, prosecutors and legal professionals who had devoted their lives to solving crime and found it hard to face their own mistakes.

- It took years for The Innocence Project to uncover numerous flaws in the legal system and present concrete improvements, ranging from eye-witnessing processes to interrogation techniques and forensic sciences. People finally began to accept that addressing mistakes didn't weaken the legal system. It actually strengthened

"Failure is simply the opportunity to begin again, this time more intelligently."
—Henry Ford

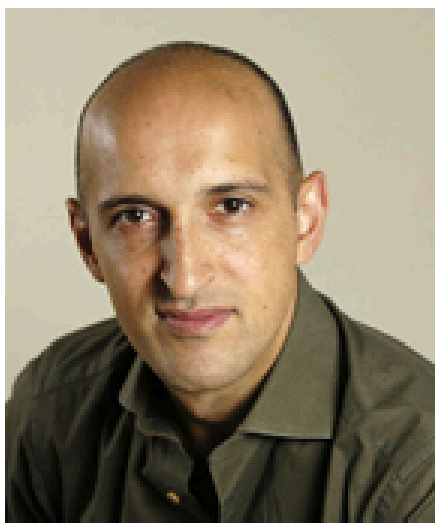
"Systems that do not engage with failure struggle to learn."

the system by ensuring that innocent people weren't wrongly convicted while guilty people didn't walk free.

Other Details in the Book to Look out For

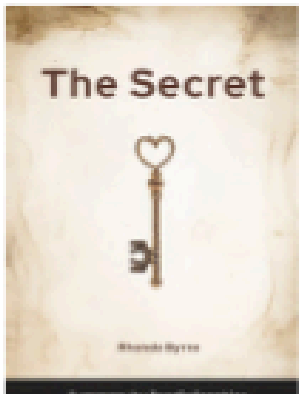
This book is full of detailed empirical research, case studies and examples about successes and failures across a wide range of domains and industries. These include: aviation, healthcare, criminology, business, sports, politics and education. For more details, please visit www.matthewsyed.co.uk.

About the Author



Matthew Philip Syed (born 1970) is a British journalist, author, broadcaster and table tennis player. Syed was the top ranked table tennis player in England for nearly 10 years. He won many titles and reached his top international ranking of 25 at the end of 1998. Syed has worked as a commentator for the BBC and Eurosport, and as a journalist for The Times since 1999. He has also published several books.

KEY QUOTES



THE SECRET

RHONDA BYRNE

THE BIG "SO WHAT"

The Secret is the Law of Attraction, which says that "like attracts like", and our thoughts create our lives. The book explains The Secret (including stories, quotes and perspectives from New Age, self-help gurus and famous personalities like Einstein, Jung and Emerson), and outlines how to apply it to achieve what we want in our lives.

UNDERSTANDING THE LAW OF ATTRACTION

Like Attracts Like

Everything in the universe is made of vibrating atoms and energy, including us. When examined under a microscope, we are masses of energy, within larger masses of energy.

Energy vibrates at specific frequencies; our thoughts are magnetic with their frequencies too. Our personal vibrations are determined by our thoughts and feelings. When we think of something, we are transmitting these frequencies to the Universe, like a human transmission tower, and they magnetically attract things of the same frequency. In short, like attracts like, and we attract things, people and circumstances that are of a similar vibration or frequency as ourselves.

We attract what we think of the most

The Law of Attraction is a law of nature. It is as impartial and

KEY QUOTES

"You are the Michelangelo of your own life. The David you are sculpting is you".
- Dr. Joe Vitale

"You become what you think about most but you also attract what you think about most".
- John Assaraf

"If you don't understand the law that doesn't mean you should reject it. You may not understand electricity, and yet you enjoy the benefits of it".
– Bob Proctor

as predictable as the law of gravity, and works regardless of whether we know or believe it. We attract what we think of the most, including:

Good and bad thoughts:

The Law of Attraction doesn't distinguish between good or bad thoughts, and it doesn't recognize whether you want or don't want something. It simply delivers what you are thinking about most persistently. Most people don't get what they want because they are focusing more on what they don't want (e.g. they don't want to be fat/ lonely), and hence end up getting more of it.

Conscious and sub-conscious thoughts:

The Law of Attraction does not only focus on conscious thoughts. You may say that you want more money, but sub-consciously feel undeserving or doubtful about your ability to earn/ attract the money – the Universe recognizes and delivers on those sub-conscious thoughts.

Shortcuts to The Secret

We have about 60,000 thoughts a day, and it's not possible to control all these thoughts. Our feelings can be used as a tool to become aware of what we are thinking, and to accelerate the manifestation of what we want.

Use feelings to identify our thoughts:

You cannot concurrently feel good and bad at the same time – if you are feeling good, you know you are holding "good thoughts", and bringing more of what makes you feel good. If you are feeling bad, you can quickly catch yourself and the underlying "bad thoughts", and shift back to the positive.

KEY QUOTES

"The law of attraction doesn't care whether you perceive something to be good or bad... (When) you feel it on every level of your being...That's what you're going to get more of."
- Bob Doyle

"The law of attraction is giving you what you are thinking about-period!"

"Our feelings are a feedback mechanism to us about whether we're on track or not, whether we're on course or off course".
- Jack Canfield

Use feelings to supercharge what you wish to attract:

When you feel something strongly, it sends out strong frequencies to attract what you are feeling. That is why what we resist tends to persist (because we give it focus and feeling, attracting more of the same).

You do not need to be worried about every negative thought that you may have, because:

Not all fleeting thoughts are manifested; what manifests most predictably are sustained thoughts that are super-charged with feelings.

Positive thoughts are much more powerful than negative thoughts, and it takes many persistent negative thoughts to bring something negative into being.

Hence, the best short-cut is to feel good, happy and positive everyday, because that will bring more good things and happiness to you.

THE CREATIVE PROCESS

To change our lives, we first change our thoughts. The power of creation is in the present, in the now, when the thought is formed and being transmitted. There are 3 key steps involved in using The Secret: Ask, Believe, Receive.

Step 1 : Ask

It is our role to get clear on what we want and the specific results we desire. If we send out mixed signals, the universe will also

KEY QUOTES

"Decide right now that you are going to think only good thoughts. At the same time, proclaim to the Universe that all your good thoughts are powerful, and that any negative thoughts are weak."

"You have the power to change anything, because you are the one who chooses your thoughts and you are the one who feels your feelings".

"Step One is simply your step to get clear about what you want. As you get clear in your mind, you have asked".

give us mixed results. Write down clearly what you want, with feeling e.g. "I am so happy that ...." If you are crystal-clear in your request, **you need to only ask or "place your order" once,** like how you place an order at a restaurant and know with certainty that it will be delivered to you.

Step 2: Believe

When you can **think, speak and act as if you are already receiving what you want,** the Law of Attraction naturally moves people, resources and events to reflect what you already believe.

Don't worry about how it will all happen, or when your desires will be fulfilled; **have complete faith that your order has been received, and allow the Universe to do its job.** Get child-like and have fun with make-believe, as if you already have what you asked for.

Step 3: Receive

Receiving is simply about feeling good, as if we have already received what we want; In so doing, we get on the right frequency to attract what we want to us.

While we need to take action, there's a difference between "action" and "inspired action". **When we act to receive, the inspired action feels so effortless and wonderful because we are on the frequency of receiving, and we are in flow with the Universe.** This is opposed to "working" against the current and struggling with our actions.

If you constantly worry about not receiving and fret over what you need to do, you are emitting signals that you are not yet ready to receive. Instead, **follow your intuition and instincts, so the Universe can magnetically guide you on the path where you will acquire all the resources you need,** be it money, people, ideas etc.

It is common for people to start feeling doubtful when they don't see immediate results. Doubts, like other thoughts, are transmitted and made real. So, **if you catch yourself with**

KEY QUOTES

"You get to choose what you want, but you must get clear about what you want. This is your work".

"Step Two is believe. Believe that it's already yours. Have what I love to call unwavering faith. Believing in the unseen".
- Lisa Nichols

"When you emit the frequency of having received it, the law of attraction moves people, events, and circumstances for you to receive."

doubtful thoughts, release them immediately and switch to the receiving mode – and know what you want is on the way.

USING THE SECRET: TIPS & PROCESSES

To use The Secret, we need to develop awareness, and manage our thoughts and feelings. Constantly check in and ask yourself: "What am I thinking? What am I feeling? Am I aware?"

To master your thoughts:

- Learn to quiet your mind, starting with 10 minutes of meditation daily.
- Set the intention "I am the master of my thoughts": say it regularly and meditate on it until it becomes a part of you who you are.

To manage your feelings:

- Learn to focus on good feelings: close your eyes and focus on positive feelings, smiling for 1 minute.
- When you feel negative, simply shift your focus to something that makes you feel good, and allow that to become your new frequency.

Powerful Processes

As we change our thoughts and feelings, the reality of our lives will also change. The book outlines several powerful processes to expedite the shift:

- Cleaning up your frequencies: At the end of every day, before you go to sleep, think through what happened in the day. If any of the events didn't go the way you wanted, recreate them in your mind in the way that makes you feel good. This helps you to clean up your frequencies for the day and emit positive frequencies the next day.

KEY QUOTES

"Receiving involves feeling the way you will feel once your desire has manifested. Feeling good now puts you on the frequency of what you want."

"It's the feeling that really creates the attraction, not just the picture or the thought".
- Jack Canfield

The power of expectation: Expectation is a powerful force. Therefore, expect what you want, not what you don't want.

The power of gratitude: Be grateful for what you have today, so you lock in that frequency and attract more of these good things. Say "thank you" hundreds of times a day, for everything that you have or is going right for you. Turbo-charge your Ask-Believe-Receive process by beginning your requests with "I am so happy and grateful for..." and give thanks in advance, as if you have already received what you want.

The power of visualization: Visualization generates thoughts and feelings, which help you to emit powerful frequencies to the universe. As you visualize, it is important to also feel the abundance, joy and gratitude that comes with having attained your desires. You can create a vision board to help you focus on what you want.

KEY QUOTES

"If you only do one thing with knowledge of The Secret, use gratitude until it becomes your way of life."

Jack Canfield summarises the creative process as such:

"Decide what you want. Believe you can have it. Believe you deserve it and believe it's possible for you. And then close your eyes every day for several minutes, and visualize having what you already want, feeling the feelings of already having it. Come out of that and focus on what you're grateful for already, and really enjoy it. Then go into your day and release it to the Universe and trust that the Universe will figure out how to manifest it."

THE SECRET IN ACTION

Using the Law of Attraction principles, Bryne touches on different aspects of our lives and how we can apply The Secret to achieve what we want.

The Secret of Your Body

To achieve your ideal weight, there are some fundamentals to note:

- The perfect weight is the weight that feels good for you.
- Don't focus on "losing weight" or you will attract more weight. Instead, focus on what you want e.g. being slim and fit.
- Know that your bodily conditions (including being overweight) is a result of your thoughts, and release your limiting beliefs. For example, food cannot cause you to put on weight unless you think it can.

Apply The Secret using the Ask-Believe-Receive creative process:

- **Ask:** Get clear on the weight you want to be at and have a clear picture of what you will look and feel like at that weight.
- **Believe:** See yourself as receiving that perfect weight, and don't contradict yourself with cues that say otherwise (e.g. don't weigh yourself, don't buy clothes at the current size etc.)
- **Receive:** Feel good about your body now as if it is already at the ideal weight.

The Secret to Money

Many people fail to attract the large amounts of money they desire because their need for money is such a powerful feeling that it continues to attract circumstances where they need money.

To attract money, you must have positive feelings about money, and focus on wealth/ the feelings that an abundance of money brings you. To achieve abundance, you need to shift your mind-space from lack-of-money to more-than-enough-money. To develop such positive feelings and beliefs about money:

KEY QUOTES

Start by using make-belief, for example:

- For the next 30 days, when you see items that you desire, consciously wipe out the thought "I can't afford that" and replace it with "I can afford that."
- Open your bills happily, by pretending the bills you are receiving are actually cheques. Or, feel great that you are receiving so much money that the amount in your bills are small by comparison.

You can also use positive affirmations daily e.g.

- "Money comes easily and frequently."
- "I have more than enough."
- "I am a money magnet."
- "I love money and money loves me."
- "I am receiving money every day."

Give money to get money:

When you give money in faith that you have more to give, the Universe will deliver more money to you accordingly. Remember to give with a joyful feeling of abundance, (rather than the feeling of sacrifice, which comes from the position of lack).

KEY QUOTES

The Secret to Relationships

The book highlights several tips to attracting the relationships we desire:

- **Love yourself:** Many of us were taught to put ourselves last, and sacrifice ourselves for the good of others, which comes from a perspective of scarcity. To get more love, we have to first fill ourselves up with love; to get more respect, we need to first respect ourselves. Ask yourself: Do you treat yourself the way you'd like others to treat you? Do you love yourself the way you want to be loved by others?

- **Love others:** Many of us constantly complain about others around us, and we wonder why we attract more of such people or circumstances. When we

radiate love – when we can see the good in everything and everyone around us – the Universe will reflect that back to us and send us all the love we want.

- **Make sure your actions are consistent with your desires:** Act as if you already have the ideal relationships you are asking for.

Mental healing is a powerful complement to medicine. The book explains how we use the Law of Attraction for better health:

The Secret to Health

- **Focus on health, not sickness:** People who are sick tend to talk about / focus on it, hence invoking the Law of Attractionfor more sickness. Rather, focus on and act as if you are completely healed/ healthy.

- **Restore our natural healing powers: Our bodies are made for self-healing** (e.g. our cells naturally regenerate, and our wounds naturally heal). Most of our diseases stem from stress, which blocks our bodies' ideal functioning. Stress in turn comes from negative thoughts. Love, gratitude and laughter are the best ways to dissolve all such negativity, and restore the body's natural healing powers.

- **Defy the aging process:** Science has also shown that our body regenerates at a very fast pace. By releasing our limiting beliefs (learned from society/ education) about our bodies and aging, we can defy conventional norms of aging.

The Secret to the World and Life

We are free to define and create our own life purpose – be guided by what makes us happy and joyful, and focus on that to get more of it. The principles of the Law of Attraction likewise applies to the world at large:

KEY QUOTES

"What you resist persists"
- Carl Jung

Focus on the cause we serve, not the obstacles in their way. What we resist gets focus, and hence persists or even grows. To move ahead positively, focus on what we want rather than what we don't want, e.g. be pro-peace (not anti-war), be pro-care (not anti-abuse).

The Universe is Abundant. The Universe is abundant and there is more than enough to fulfil everyone's need. Focusing on competition will only generate more competition. Focus on fulfilling the diverse needs in the world, and imagine the end results that we desire. We do not need to work out all the inventions or discoveries; focus on the end results and allow the Universe to bring the solutions and inventions to us.

The Universe is not limited by time or size. It is as easy for the Universe to give us $1 million as it is to give us $1. The only limitations are in our minds. To build our belief and confidence gradually, start by asking for something small, then move on to bigger items.

We are of one Universal Mind. We are all energy fields, in a larger energy field, i.e. we are all connected. Don't draw an artificial "us" versus "them boundary; Praise and bless everyone and everything, including your enemies.

The Universe is like an infinite supplier of everything; it delivers what we want through people, circumstances, and events, using the law of attraction. We order what we want through the frequencies we emit.

KEY QUOTES

"Time is just an illusion... everything is happening simultaneously ...the parallel version of you with what you want already exists!"

OTHER USEFUL POINTS ABOUT THE BOOK

Byrne was a low point in her life when her daughter gave her a copy of *The Science of Getting Rich* by Wallace Wattles. She was so fascinated by the ideas in the classic that she started to research the history of The Secret, and concluded that some of the greatest people in history (e.g. Einstein, Plato, Shakespeare, Lincoln, Newton, Hugo, Beethoven, Emerson, Edison) all knew The Secret.

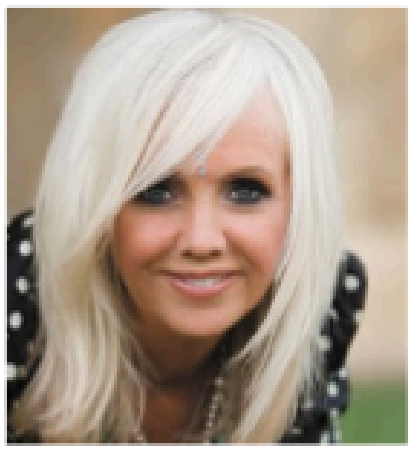
She wanted to make a film about The Secret. Applying its principles, she put together a team and flew to the United States where she filmed 55 New Age "teachers"/ legends in 7 weeks (even though she didn't have a single appointment when she left for the US).

The book combines points from the film with quotes and insights from these teachers and other famous personalities like Einstein, Jung and Emerson, as well as additional points from Byrne.

ABOUT THE AUTHOR OF THE SECRET

Rhonda Byrne (born 1951) is an Australian television writer and producer, and is best known for the book and film *The Secret*. in Time Magazine's "The TIME 100: The People Who Shape Our World". She currently lives outside of Los Angeles.

Byrne began her career as a radio producer before moving into television production. In 2007, she appeared on the Oprah Winfrey Show and was featured Besides *The Secret*, she has also written book sequels *The Power*, *The Magic*, and *The Hero*. For more details, visit **http://thesecret.tv/living.html**



KEY QUOTES

BE USEFUL

Seven Tools for Life

Arnold Schwarzenegger

The Big "So What"

This book reveals 7 critical tools to overcome challenges, stay motivated, and create a life of purpose and fulfillment. The insights are based on Arnold Schwarzenegger's personal experiences in bodybuilding, acting, politics, and public service; they're relevant whether you're at a low point in life or seeking new success.

Introduction

In this book, Arnold Schwarzenegger—politician, businessman, bodybuilder, and actor—shares his personal insights on **purpose, resilience, and growth**.

- After leaving the Governor's office in 2011, Arnold encountered *multiple personal crises*, including family issues and career challenges. Despite hitting rock bottom, he was determined to rebuild his life.

- As he worked through these challenges, recovered and transformed himself, Arnold was surprised to find others turning to him for motivation and inspiration. He realized that, despite the progress in human civilization—with less war, disease, and poverty—we're now grappling with a *social epidemic of negativity*, with a sharp rise in depression, anxiety, and addiction worldwide.

Arnold wrote this book to share his "**tool kit for life**"—a set of principles developed over 60 years of personal experience. These tools can help you to bounce back from adversity, and serve as a blueprint for living a happy, successful, and meaningful life.

KEY QUOTES

"I wrote this book because I believe that anyone can benefit from the tools I've used through every phase of my life... But most of all, I wrote it because everybody needs to be useful."

"It's the struggle that makes success, when you achieve it, taste so sweet."

"There has never been less war, less disease, less poverty, less oppression than right now...[but] so many people talk about feeling irrelevant or invisible or hopeless."

"I was face down in the mud, in a dark hole, and I had to decide whether it was worth it to clean myself up and start the slow climb out, or to just give up."

The 7 Tools for Life

1. VISION: Define Your Path with a Clear Vision

Having a clear vision means having a clear mental picture of what you want your life to look like, as well as what you don't want.

- It provides purpose and meaning, serving as a *compass for decision-making* and helping you to stay on-track toward your goals.

  (i) It helps you to make better choices by assessing which option can bring you closer to your desired future.

  (ii) It provides a sense of direction to reduce doubt and confusion.

- Without a clear vision, people often feel *lost or adrift*, finding it hard to take meaningful actions. They might feel like life is happening *to* them without control, or get stuck in jobs or routines that don't fulfill them.

Success comes from a **crystal-clear, vivid vision**, not just vague hopes.

- A vision reminds you on *what true success is and isn't* for you, helping you to prioritize long-term success over short-term gains. Once you're clear on what you truly want, you can calmly accept or reject opportunities, avoiding

KEY QUOTES

"No man is more unhappy than he who never faces adversity. For he is not permitted to prove himself."
—Seneca

"To have a clear vision is to have a picture of what you want your life to look like and a plan for how to get there. The people who feel most lost have neither of those."

"We always have a choice. What we don't always have, unless we create it, is something to measure our choices against."

"You need to get crystal clear on that vision and tattoo it to the inside of your eyelids."

distractions and "near-successes" that don't fully align with your goals. For example, in 1974, Arnold turned down a $200,000-a-year offer to be a fitness promoter because it didn't fit with his goal of breaking into Hollywood.

- *Visualize and mentally rehearse every detail* of your success. During Arnold's bodybuilding days, he imagined the exact moment of standing on the winner's podium and even the colors of his competitors' outfits.

It's not enough to just visualize your future. You must also **reflect honestly** if the person you see in the mirror aligns with who you want to become.

- Use regular self-reflection to *ensure your actions match your vision*. This is uncomfortable but necessary for growth.

There are 2 ways to **build a vision from scratch.**

- *Start small then build it out*: Focus on immediate, tangible goals and develop clarity over time.

  (i) Start with simple daily tasks you enjoy—like organizing your workspace or exercising—to create small wins.

  (ii) As you accumulate victories and build momentum, your vision will also expand and sharpen.

- *Start broad then zoom in*: Use your passions or obsessions as a rough guide, then refine your vision progressively.

  (i) For example, Arnold's vision began with "I want to be successful in America." It became clearer and more specific over time as he pursued bodybuilding, then acting, and politics.

  (ii) Many successful people, like Steven Spielberg (film) or Tiger Woods (golf), began with broad interests that later evolved into specific goals.

- Either way, it takes time to define and crystalize your vision. Here are a few steps you can use to *get started*:

  (i) Reflect on your childhood dreams or early obsessions for clues.

KEY QUOTES

"Knowing what is and isn't success brings crystal clarity to your vision. And with that clarity...comes a sense of calm, because almost every question becomes easier to answer."

"You have to check in with yourself if you want to be sure that you're moving in the right direction... You need to know whether or not your vision aligns with the reality of your choices."

"As important as it is to know what success looks like, it's equally important to know what it doesn't look like."

"Everything good, all great change, starts with a clear vision."

(ii) Set daily or weekly goals to explore those areas, using small wins to build a larger sense of purpose.

(iii) Create time and space for self-reflection, e.g. walking, exercising, or meditating to clear your mind and refine your vision.

2. AMBITION: Think Big, Act Relentlessly

Small thinking leads to small outcomes. To achieve greatness and fulfill your true potential, you must **think big** from the start.

- Don't assume you've "arrived" just because you've achieved one goal. *Keep expanding your vision* and pushing boundaries.

- For *example*, after conquering the world of bodybuilding, Arnold set his sights on the film industry. His first breaks came from action films like *Conan the Barbarian* and *The Terminator*. But he didn't stop there—he expanded into comedy, a genre many thought a muscle-bound action star couldn't succeed in, with hits like Twins and Kindergarten Cop.

Once you've committed to a goal, give it 100% and **do it right**. When Arnold took on bodybuilding, he aimed to be the best in the world, leading him to win Mr. Olympia multiple times. When he took on role of the Terminator, he trained rigorously to embody the machine-like precision that made the character so iconic.

- To truly stand out, aim to *set new records* and do what no one else has done before.

  (i) In bodybuilding, Arnold became the youngest Mr. Olympia at age 23 and won the title 7 times in total.

  (ii) In film, his movie *Terminator 2: Judgment Day* became the highest-grossing film of 1991, setting a new standard for action films and earning over $500 million globally.

  (iii) In politics, Arnold made history in 2003 by becoming the first bodybuilder and actor to be elected Governor of California during the state's unprecedented recall election.

As you pursue big goals you will inevitably encounter **naysayers**.

KEY QUOTES

"If you aim for a big goal and give it your all and you come up short, that's OK because you've still probably done something pretty impressive."

"If you're going to do it, do it... because not going all in will absolutely guarantee that you fall short."

"It's no harder to think big than it is to think small. The only hard part is giving yourself permission to think that way."

"Naysayers are a fact of life. That doesn't mean they get to have a say in your life."

- You can either *ignore them* or use their negativity as a *source of motivation* (to prove them wrong). But never believe them.

- Take *Steven Spielberg* for example. He was rejected from film school but went on to become one of the greatest filmmakers. Likewise, *Oprah Winfrey* was told early in her career that she wasn't fit for television, yet she became a media iconic.

Commit fully to your vision by **rejecting backup plans**. Having a Plan B will only dilute your focus and determination. For example, once Arnold decided to pursue acting, he rejected other career options and offers to stay focused on succeeding in Hollywood.

3. WORK ETHIC: Unlock Success Through Hard Work

Consistent, focused hard work is non-negotiable for long-term success and fulfillment.

- Hard work can be satisfying in itself, but the real purpose is to *build the foundation* so you're prepared to seize opportunities, rise to challenges, and excel in critical moments.

- You tend to appreciate an achievement much more when you've earned it. Those who take shortcuts or receive windfalls miss out on the sense of *pride and accomplishment* that comes from genuine effort—like the difference between climbing Mount Everest yourself versus being dropped at the top by helicopter.

To excel in any field, you need hours of **repeated practice**.

- Whether you're preparing for a speech, training for a competition, or mastering a craft, the key is to *do the reps, and to do them right*.

- Every top performer—from athletes to scientists—devotes time to building their skills, abilities, and confidence, so they can *perform at their best* when the critical moment arrives.

To achieve breakthroughs, you must **embrace discomfort**.

- *Accept pain as a part of growth*. In physical training, the last

KEY QUOTES

"I don't compromise. There is no plan B. Plan B is to succeed at plan A."

"If there is one unavoidable truth in this world, it's that there is no substitute for putting in the work."

"The purpose of all this hard work...is to be prepared. It's to be ready to perform when the spotlight turns on, when opportunity knocks, when the cameras roll, when a crisis arrives."

"Working your ass off is the only thing that works 100 percent of the time for 100 percent of the things worth achieving."

"Work works....No matter what you do. No matter who you are."

"Pain isn't just an indicator of sacrifice...it's also a measure of growth potential."

few reps (when pain and fatigue set in) are the ones that drive the most progress. The same applies to personal and professional growth—if you're not feeling discomfort, then you're not pushing yourself to your full potential.

- Remember: *pain is temporary*, but the satisfaction and results of pushing through it lasts far longer.

Even with the best plans and effort, unexpected challenges can still arise. That's why it's crucial to stay dedicated and **deliver on your commitments**.

- Consistency is key to make sure your ideas and efforts succeed. *Show up and follow through*, even when it's difficult. During Arnold's political career, he made it a point to personally check in on the progress of his projects to ensure things are on track and his team kept the promises made to the public. It often requires examining details that would otherwise have been overlooked.

- *Make room for your goals*. Everyone has 24 hours a day, so time is no excuse. Remove distractions and carve out time for your most important goals.
    - Do a *mental accounting* of how you spend your 24 hours. Besides time for sleep, commuting, work, and family, how are you using your time each day? What unproductive hours can you direct toward your goals? Even if you free up just 1 hour a day for your goals, that adds up to 365 hours in a year—more than enough to make significant progress!
    - When you focus on meaningful work and push your limits, you're also more likely to enter a *flow state*, where you perform at your highest level to deliver extraordinary results.

4. INFLUENCE: Sell Your Vision with Impact

To achieve your goals and dreams, you must **sell your vision**. No matter how great your idea is, it doesn't truly exist if nobody knows about it.

- Selling means *effectively communicating your vision* so

KEY QUOTES

"To do great things that last, sacrifices are necessary."

"If you want to grow, or you want to be great, it's not going to be easy. It's going to hurt a little bit. Or a lot."

"It's about leaving no stone unturned. It's about dotting your i's and crossing your t's. It's about closing the loop and circling back."

"Don't be a lazy fuck. Do the work. The only time you are allowed to use the phrase 'I took care of it is when it is done. Completely."

"What every person who gets shit done has in common is that they either find the time, make the time, or turn the time they do have into what it needs to be for them to accomplish the task in front of them."

"You can have the most amazing idea, the most fantastic plan, the best in class of virtually anything, but if nobody knows that it exists or knows what it is, then it's a waste of time and effort."

others understand its value. You need persuasive skills, whether you're pitching an idea, seeking support, or presenting yourself for a role.

To sell successfully, you must **know your audience** or "customers." These could be anyone whose support or backing you need, such as family members, colleagues, or investors.

- *Tailor your approach* based on a deep understanding of your audience's needs. For example, when transitioning to comedies, Arnold had to sell his vision to agents, producers, and studio executives who doubted his potential. He was also constantly selling his movies and himself to journalists and critics to secure favorable reviews.

Share your goals and vision with **conviction and sincerity**.

- Before you can persuade others, you must *first convince yourself*. When you believe in your own success, it's easier to bring others along. For example, Joe Weider marketed bodybuilding as if it were already a mainstream sport, even before it truly was.

- Talk about your goals *as if they're already happening*, using present-tense language to project confidence. For example, say "It is happening" or "I can see myself succeeding" rather than "I hope..." or "I will be..."

- Let others underestimate you, and then *exceed their expectations*. Arnold used this approach in the 2003 recall election. By surpassing expectations, he left a lasting impression.

- The most effective way to sell is with *authenticity*. People respond to genuine stories. When you share your personal journey or goals honestly and sincerely, you are more likely to earn trust and support. This works whether you're trying to get a promotion or persuade someone to back your project.

5. RESILIENCE: Shift Gears and Bounce Back

When pursuing ambitious goals, you will inevitably face challenges and failures. It's crucial to "**shift gears**" by quickly

KEY QUOTES

"Unless you pay attention to who is paying attention to you, it's impossible to know for sure who your vision is attracting positively or who it might be impacting negatively."

"No matter the size of your dream, you have to know how to sell it and who to sell it to...because no one is better equipped or motivated than you to sell your vision to the world."

"Nothing sells better than a true story from a genuine person. Especially when the story is about that person."

"If you can choose joy over jealousy, happiness over hate, love over resentment, positivity over negativity, then you have the tools to make the best of any situation, even one that feels like failure."

adjusting your mindset and approach, instead of dwelling on negativity, blame, or complaints.

- Human beings have a natural "*negative bias*" that leads us to focus on potential problems. It's a survival instinct to help us avoid danger, but it can also cause us to fixate on setbacks.

- To shift gears, catch any negative thoughts and *actively redirect your focus* toward lessons, opportunities, and solutions. This helps you to turn difficult situations into something productive.

- Arnold has a *no-complaint rule*: Instead of wasting mental energy on complaints, use that energy to solve problems instead. If you're not willing to take action, then the issue can't be really important to you.

    - For example, just before the filming of *Terminator: Dark Fate*, Arnold had to undergo an emergency heart surgery. Rather than blame others or allow this to derail him, he worked closely with his medical team to recover quickly within 3 months, and managed to start production on schedule.

How you respond to failure determines whether you grow or stagnate. **Reframe failure** as a stepping stone toward success.

- Failure is a natural part of the journey toward success. See it as a *source of feedback* to learn what doesn't work, so you can move closer to success.

- When facing setbacks, remember Arnold's iconic line from *The Terminator*: "*I'll be back*." Choose to bounce back stronger, and never give up.

To stand out and achieve greatness, you can't blindly follow what others are doing. Sometimes, you must **break away from convention**.

- For instance, Arnold redefined bodybuilding by focusing on a more sculpted and aesthetic physique rather than sheer size. In movies, he refused to stick to a single lane, successfully transitioning from action roles to comedies. In politics, he defied expectations by winning California's 2003 recall election as an outsider candidate.

- Remember: *Risk is manageable*, not something to be feared.

KEY QUOTES

"You work to make a dream come true, you don't whine it into existence."

"Your job is neither to avoid failure nor to seek it out. Your job is to bust your ass in pursuit of your vision...and to embrace the failure that is bound to come."

"Failure has never killed a dream; quitting kills every dream it touches."

"My entire life has been an exercise in doing things differently than they've always been done."

- Consider what you stand to lose versus what you can gain. Early in his career, Arnold had little to lose, which gave him a high tolerance for risk. As he became more successful, he learned how to *minimize the downsides* while still taking bold steps.

- Ask yourself, *"What do I have to lose?"* If you've prepared and worked hard, then failure becomes just another learning opportunity. Even when things don't go as planned, just switch gears and keep moving forward.

6. GROWTH MINDSET: Stay Open and Keep Learning

A learning mindset beats paper qualifications any day. When you **see the world as your classroom**, you can find endless opportunities for learning and growth.

- There's *no one-size-fits-all route* to success, and you don't need a college education to succeed. Many people thrive in vocational fields like real estate, plumbing, or entrepreneurship. Someone who's committed to continuous growth often outperforms a college graduate who lacks the drive.

- Mary Shenouda, the creator of *Paleochef*, is a prime example. She dropped out of college but built a thriving career as a performance chef by *learning through real-world experience*.

- *Be like a sponge*, soaking up knowledge from books, people, and life's experiences.

To learn, you need to *be curious and humble*: to truly listen, absorb and apply what you've learned.

- Successful people are often willing to share their wisdom with those who're ready to *ask good questions, listen and absorb*. Arnold's curiosity attracted many mentors and opportunities, allowing him to learn from influential figures like Joe Weider (bodybuilding), Lucille Ball (acting), and Milton Berle (business).

- Success comes from *truly listening and applying* what you learned. For example, Arnold initially wanted to play Kyle

KEY QUOTES

"The worst thing that can happen when you do the work to overcome adversity... is that you fail again and learn one more way that doesn't work.... what do you have to lose?"

"You don't know as much as you think you do, so shut your mouth and open your mind."

"It's only when you learn to soak up what those people tell you...that you truly begin to make yourself useful to others and become a resource yourself."

"Important, interesting, powerful people are drawn to those who ask good questions and listen well...They want to help you."

"Having the patience and humility to listen well is an essential ingredient of curiosity, and it's the secret to learning."

Reese in *The Terminator*, believing the hero role suited him better. However, after listening carefully to director James Cameron, he realized the Terminator character had far more potential. This decision not only boosted his career, but also taught him valuable lessons during the production process.

- Remember the *use-it-or-lose it rule*, and make sure you put the knowledge and skills into practice before they fade.

7. GIVING BACK: Break the Mirror and Serve Others

No one is truly "self-made", since every success is built upon someone else's ideas, efforts, and support. **No one succeeds alone.**

- While Arnold is often credited for his discipline and hard work, he recognizes that there are *many people behind his success*, including his parents, mentors like Joe Weider (who brought him to America), Steve Reeves and Reg Park (who inspired him in bodybuilding and movies), and John Milius (who cast him as Conan the Barbarian).

- Having benefited from others' contributions, each of us has a social responsibility to give back and help others. Arnold encourages us to "*break the mirror*"—stop focusing on ourselves and start focusing on others' needs. When you look beyond your own reflection and open yourself up to others, it also leads to deeper happiness, purpose, and growth.

Life isn't a zero-sum game. Giving doesn't reduce what you have—it benefits everyone involved and generates compounding effects.

- Real fulfillment doesn't come from personal achievements alone, but from *uplifting others and serving your community*.
  - Arnold first experienced this in the gym, where he and his fellow bodybuilders supported and pushed each other, leading to mutual improvement and advancing bodybuilding as a sport. Everyone wins in the process.
  - Similarly, the best actors are not the ones who focus only on themselves, but those who collaborate to make every scene better for everyone involved.

KEY QUOTES

"If you don't regularly flex your mind like a muscle and put your knowledge to work, it will eventually lose its power."

"We are all here thanks to the contributions of other people...recognize that you have a responsibility to give back. To help others. To send the ladder back down and lift the next group up. To pay it forward. To be useful."

"We can all grow together, get richer together, get stronger together. Everyone can win, in their own time, in their own way."

"Little things always have a tendency to become big things, and I am confident that one day something small will lead you to something big that you feel equipped to give back to in a bigger way."

- Giving back is not just a social responsibility or a way to support your goals. It also brings *happiness, fulfillment, and connection*.
    - When we help others, it triggers the release of hormones like oxytocin, endorphins, and vasopressin, which are associated with feelings of pleasure, love, and bonding. This creates the "*helper's high*" which can be addictive, motivating you to give even more.
    - A Harvard study found that giving—no matter the amount—consistently *boosts happiness*.
- Arnold started his journey with a self-focused vision but gradually shifted towards a *community-focused vision* as he recognized the power and fulfillment of giving back.

Regardless of your situation, **there are always ways to give back**.

- Try doing an *inventory of your skills and resources* to determine what you can offer—whether it's time, experience, assets like a car (to help with logistical support), or tools (to perform specific tasks).
- You can also give back through *small acts of kindness*, like helping someone with groceries, lending an ear, or offering advice. Every act creates a ripple effect, whether it impacts one person or thousands.
- Alternatively, think of what someone has done for you in the past, then *pay it forward* by doing the same for someone else.

Other Details in the Book to Look out For

The tools and principles in this book go beyond achieving personal success; they offer a roadmap for finding purpose, fulfillment, and becoming valuable to those around you. Arnold challenges readers not only to pursue their goals but to continually ask, "How can I be useful?" The book also includes actionable steps, personal stories and insights to guide you toward becoming the best version of yourself—while making a meaningful impact on others. For more details, visit beusefulbook.com.

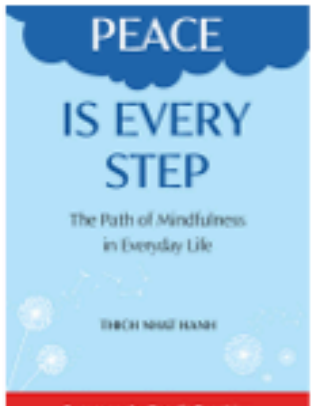
KEY QUOTES

"You can make someone's day better and your own day better with the same act of kindness and generosity. And you don't need to be rich or flush with cash to do it."

"It's not about the amount that you give, it's about the fact that you give at all. It's the act of giving that produces the increased happiness."

"In our society that is so self-absorbed, begin to look less at yourself and more at each other."

"We're all in this thing called life together. It's not a zero-sum game. It's one that can have multiple winners."



PEACE IS EVERY STEP

THE PATH OF MINDFULNESS IN EVERYDAY LIFE

Thich Nhat Hanh

The Big "So What"

In our modern life, most people are constantly worrying and chasing after new goals. We seek fulfilment, happiness and peace, not realizing that these are already in us. By slowing down and getting in touch with what's in and around us, we can bring peace and joy to ourselves and others. Nominated for the Nobel Peace Prize in 1967, Hanh shares how mindfulness can help us to manage negative feelings like anger, sorrow, and grief, and bring us true peace and happiness.

Introduction

The book is written in short chapters, organized into 3 key segments. In this summary, we'll outline:

- Key ideas and techniques for cultivating awareness and mindfulness;
- How to transform negative emotions and handle difficult psychological states; and
- How to master the art of mindful living and enjoy peace and happiness.

Cultivating Awareness & Mindfulness

We are often so busy planning for the future that we lose touch with the present. When we're not mindful, we are merely dreaming, and the people/ things around us are phantoms. When we're mindful, everything becomes real and we experience the full lushness of life.

KEY QUOTES

"Love, compassion, and altruism are the fundamental basis for peace."
- The Dalai Lama

"Peace is available in every moment, in every breath, in every step."

"Peace is present right here and now, in ourselves and in everything we do and see. The question is whether or not we are in touch with it."

"We are very good at preparing to live, but not very good at living."

Conscious breathing and smiling are 2 building blocks of mindfulness:

Conscious breathing. Breathing is an integral part of being alive. By focusing on your breathing, you bring yourself back to the present moment, and align your mind and body to focus on your breath.

Smiling. A smile can relax hundreds of muscles in your body, to bring awareness, calm and peace.

Most of us have an ongoing commentary in our heads – our minds constantly speculate and worry, and we can't switch them off. When we slow down and practice conscious breathing, we are resting our minds. We become more refreshed, and are in touch with the present moment.

Practicing Conscious Breathing

You don't need to be in a church to pray, and you don't need to be in a meditation hall to be mindful. Conscious breathing and smiling can be done anytime, anywhere.

Breathing exercises. Try these 2 simple exercises:

- *Awareness of in-breath and out-breath:* As you breathe in, say to yourself, "Breathing in, I know that I am breathing in." As you breath ut, say, "Breathing out, I know that I am breathing out.".

- *Enjoying the present:* As you breathe in, say to yourself, "Breathing in, I calm my body," and imagine cool lemonade flowing through your body on a hot day. As you breathe out, say, "Breathing out, I smile," and feel yourself relax with a smile. Spend some enjoying the moment, saying, "Dwelling in the present moment, I know this is a wonderful moment!"

Sitting Meditation. Hanh explains various postures that you can use for your meditation, including half-lotus, full-lotus, cross-legged or just sit with your back straight and your hands resting on your lap. Unlike some meditation experts, Hanh believes that you should listen to your body - if your body is numb or in pain, shift your position or take a slow, mindful walk before resuming your position.

KEY QUOTES

"Simple practices like conscious breathing and smiling are vey important. They can change our civilization."

"The source of a true smile is an awakened mind."

"Thinking is important, but quite a lot of our thinking is useless."

"We should be able to bring the practice from the meditation hall into our daily lives... Mindfulness can penetrate the activities of everyday life, each minute, each hour of our daily life, and not just be a description of something far away."

"Our appointment with life is in the present moment."

Mindfulness Cues. Hanh uses the sound of a bell to remind himself and his students to return to the present moment. You can practice this with any sound or item, e.g. each time you hear the sound of running water, or see rays of sunshine, use it as a reminder to take a break, breathe in and out, and savour the present moment.

Telephone Meditation. Our lives are somewhat controlled by our phones. We spend a lot of time on calls and messages, and they make us anxious. Before you answer or make your next phone call, pause and practice conscious breathing a few times, smiling and relaxing yourself.

Mindful Eating is an important practice, and can be very enjoyable. As a child, Hanh used to take his time to enjoy his cookies, taking as long as 30-45 minutes to savour each one. According to Hanh, even the Christian service of the Eucharist is essentially a practice of awareness - when Jesus shared his bread with his disciples, saying, "Eat this. This is my flesh", he wanted them to eat it in mindfulness.

- *Tangerine Meditation.* As you enjoy a tangerine, consider its origins, as well as those of the tangerine tree. When you look deeply into the fruit, you'll see how it contains all elements of the universe - sunshine, rain and earth, and people who delivered the tangerine to you. As you peel and enjoy the fruit, observe the mist and its fragrance, the texture and flavours of each bite.

- *Eating as a family.* Put aside everything you are doing. When the food is served, everyone breathes consciously (3x). Look at each person and give a heartfelt smile. Then, look at the food, contemplate its origins and its connection with the earth. Eat mindfully, enjoying the food and one another's presence. Focus your conversations, if any, on the food, rather than say, work problems or gossip about others.

Washing Dishes. Every we do is concurrently a means and an end. If you look at a task (e.g. washing dishes) as a chore that you have to complete to get to an outcome (clean dishes), you will dread it. But, if you wash the dishes mindfully and enjoy the moment, it becomes an end in itself.

Walking Meditation. Likewise, walking isn't just a means to get to a destination. Enjoy the walk itself, using walking

KEY QUOTES

"Practicing mindfulness enables us to become a real person. When we are a real person, we see real people around us, and life is present in all its richness."

"We must learn to stop from time to time in order to see clearly."

"When we are capable of stopping, we begin to see and, if we can see, we understand. Peace and happiness are the fruit of this process."

"Each time you look at a tangerine, you can see deeply into it. You can see everything in the universe in one tangerine."

"Breathing and smiling together is a very important practice."

"Practicing meditation is to go back to the present moment in order to encounter the flower, the blue sky, the child. Happiness is available."

"Each step we take will create a cool breeze, refreshing our body and mind. Every step makes a flower bloom under our feet."

meditation. Let go of the past/ future and just immerse in the present moment. Enjoy each step, coordinating your steps with your breathing (e.g. taking 4 slow steps with each in-breath and 4 steps with each out-breath). Notice how your feet make contact with the earth; kiss the Earth with each step, sharing your feeling of peace and contentment with it.

Driving Meditation. Driving is stressful to many people, as they get upset with traffic, red lights, and other drivers. Don't treat the car as a tool to get somewhere, but as an extension of yourself. Enjoy your drive, and treat red lights/ traffic jams as opportunities for conscious breathing, rather than obstructions to your journey. If you're driving to take a break from your problems and to release stress, consider a walking meditation instead.

Breathing Room. Hanh recommends having a breathing room in your house, where you can practice breathing and smiling. Whenever you're upset, go to the room, take time to breath, smile and recover yourself. You can place a "bell" in the room – this provides the cue for you to start your conscious breathing, and informs your family members that you're taking time to recover.

Owning the Present

Often, being present simply means to notice what's around us, without over-thinking it. Rather than do everything with a goal, learn to appreciate each moment and activity for itself. This may feel counter-intuitive in our goals-driven society. However, if you're not mindful, you may end up chasing what you already have, e.g. if you are not conscious of the happiness in you, you'll keep doing more to try to be happy. To own the future, you need to own the present moment.

Life as a masterpiece. If you try to study a flower with the goal of producing the best piece of art, you won't succeed. Instead, if you look deeply into the flower and enjoy it, the joy, peace and appreciation inside you will be expressed naturally in your art-form. In fact, it will show up in everything that you do.

Hope as an obstacle. Hope for the future makes today's hardship easier to bear, but if we focus so much on the future, we'll miss what we already have now. Rather than place all

KEY QUOTES

"When we use a car, we are ourselves and the car."

"The past is gone, the future is not yet here. If we do not go back to ourselves in the present moment, we cannot be in touch with life."

"Since we cling to our hope in the future, we do not focus our energies and capabilities on the present moment."

your energy into hoping for the future, channel it fully into the present moment, so you can create your breakthrough *now*.

Transformation and Healing

Now that we understand how to cultivate mindfulness, let's look at how to deal with difficult feelings.

Transmuting Negative Feelings

Flowers vs Waste. Most of us love flowers but despise waste/garbage. However, a flower will become waste after it wilts. Waste is made into compost, which becomes a part of the flower. They are different forms of the same thing. Likewise, we reject negative feelings and embrace positive ones, when both are a part of us.

The River of Feelings. Hanh likens our feelings to the river; each drop of water represents a different feeling. Rather than get swept away by the flood of feelings, learn to sit by the river bank and observe. Breathe consciously, recognize you have an unpleasant feeling, identify what it is (e.g. anger, fear), and face it with love and understanding (rather than rejection or clinginess).

Cooking our Potatoes. We can't eat raw potatoes, but we don't throw them away. Instead, we cook them to make them edible. Likewise, healing cannot come from running away or cutting off what we don't like about ourselves. We must learn to face them and transform them. Don't be angry with your anger. Instead, use love to nurture it, and peace to reconcile with it.

Transforming Feelings. Imagine you're feeling afraid. To transform it:

- *Identify the feeling.* Look deeply at it with mindfulness, so you can recognize it as fear.
- *Accept the feeling.* Don't detach yourself from the fear or reject it. Instead, unite with it. Use mindfulness to guide the fear, and

KEY QUOTES

"Our feeling is not separate from us or caused merely by something outside us; our feeling is us, and for the moment we are that feeling."

"If we face our unpleasant feelings with care, affection, and nonviolence, we can transform them into the kind of energy that is healthy and has the capacity to nourish us."

"Instead of acting as if we can dispose of parts of ourselves, we should learn the art of transformation."

"As soon as we understand the causes and nature of our feelings, they begin to transform themselves."

"As long as mindfulness is present, you will not drown in your fear."

realize that you're more than your fear. The more you nurture mindfulness, the stronger it'll be and the better it can keep your unpleasant feelings in check.

- *Soothe the feeling,* like how a mother will soothe an upset baby. The fear will ebb under your tender care.

- *Free the feeling.* Now that you know you can handle your fear, release it with a smile.

- *Look deeply at it.* Examine what has caused the fear, so you can address the root cause(s).

This method is comparable to psychotherapy, where the therapist works with the patient to identify the source of the pain. In both cases, the patients must be willing to free themselves of beliefs or behaviours that bring them pain.

Dealing with Anger

Mindfulness of anger. Anger and hatred can consume us and make us lose control. Yet, they are a part of us, and we need not fear nor reject them. Instead, manage them through mindfulness. When you feel angry, rather than focus on the person or issue that "made" you angry, pause to focus on your breathing, and bring in mindfulness to tend to your anger. Your priority is to calm your anger, like how a fireman puts out a fire. You should pursue the cause of the fire only *after* the flames are doused.

Pillow-pounding. Anger-management experts at times encourage people to "release" their anger through pillow-pounding. Hanh recommends against this - pillow-pounding may exhaust you briefly, but it doesn't remove the cause of anger. In fact, you're practicing how to express anger. The only way to remove anger is to look deeply into it, identify the causes, and plant new seeds to transform the situation, like how sunshine brings life to vegetation just by shining on it.

Walking meditation. When you are angry, it helps to surround yourself with nature and fresh air, while doing a walking meditation. Enjoy the environment, your breathing and steps, and calm your anger until you're ready to look deeply at it.

KEY QUOTES

"Feeling his mother's tenderness, the baby will calm down and stop crying. The mother is your mindfulness, born from the depth of your consciousness, and it will tend the feeling of pain."

"Anger...is like a blazing flame that burns up our self-control and causes us to say and do things that we regret later."

"Like a fireman, we have to pour water on the blaze first and not waste time looking for the one who set the house on fire."

"When we understand the nature, the roots, of our anger, we will be freed from it."

The roots of anger are usually pride, mistrust, desire, unrest, and/or misunderstanding (of ourselves and others). These causes arise from us, not others, i.e. no one can "make" us angry. Instead, understanding the reasons behind others' behaviours will reduce our own negative reactions.

Internal Formations

When something unpleasant happens (e.g. we feel someone has belittled us, or has treated us unfairly), a "knot" forms internally. We'll typically avoid these knots as they bring us pain. Yet, the longer the knots remain, the faster they become. It's best to untie the knots once they form, and you do that through awareness and understanding.

By observing our pain (e.g. becoming aware of the feelings, images, words etc. that we associate with something or someone), and looking deeply to understand why we respond that way, we shine a light on our deepest fears and pain. With awareness and understanding, we can begin to transform them.

Living Together. When we live with someone, our happiness are intertwined. To be happy together, we must help one another to untie the knots as they form, and to transform these internal formations.

Look into your hand. Meditate on your hands. If you look deeply into them, you can see the essence of your parents and ancestors, as well as your connection with all other elements of the universe.

Parents often unintentionally pass on their seeds of pain to their children. For example, someone who was frequently punished by his father may subconsciously feel angry, and this anger surfaces under similar situations with his own child. By practicing mindfulness, we become aware of these seeds. When we understand, forgive and transform the feelings, we bring peace and happiness to ourselves, our parents and our future generations.

KEY QUOTES

"Seeing and understanding are the elements of liberation that bring about love and compassion."

"If we do not untie our knots when they form, they will grow tighter and stronger."

"The root cause of any internal formation is a lack of understanding."

"The well is within us, and if we dig deeply in the present moment, the water will spring forth."

"We usually think that parents have to nourish their children, but sometimes the children can bring enlightenment to the parents and help transform them."

Healing with Love, Understanding and Compassion

Nourish Healthy Seeds. There are 2 layers to our consciousness – seeds, and the manifestations of these seeds. When we lose our temper, we're manifesting our anger and concurrently planting new seeds of anger. When we practice smiling and mindful breathing, we're feeling and planting new seeds of peace, joy, and mindfulness. A reservoir of healthy seeds helps us to manage negative emotions more easily.

Ask, "What's not wrong?". Avoid asking "What's Wrong?", as it invites our pain to surface. Instead, ask "What's *not* wrong?", and allow these positive elements to heal us.

Don't Blame. When a plant doesn't grow well, we look into the reasons behind it (e.g. lack of fertilizers, sunlight, water). Yet, when we face issues with people, we tend to blame them. Look after the people around you, the same way you would a plant. With love and understanding, they will flourish.

Understanding. Love and understanding are 2 sides of the same coin. When you truly understand something or someone, you will naturally feel love and compassion for them.

- *Compassion.* Having compassion means to suffer with others. Start by meditating on, or looking deeply into, someone who's undergoing physical pain or illness. Over time, you can shift your meditation to more subtle forms of suffering. When you're able to feel compassion for those who've caused you pain, and understand why they behaved that way, your negative feelings toward them will change. They'll eventually sense your shift, and reconciliation will come more naturally.

- *Love.* Like compassion, real love is built on understanding. Similar to how we accept that fire is both useful and dangerous, when we can accept people's good and bad, flowers and waste, we can be happy and peaceful together.

Hugging Meditation. Hugging can bring joy and comfort. Before you hug someone, practice conscious breathing to remove distractions. During the hug, breathe 3 times consciously to become fully present, so you can truly appreciate the person you're hugging.

KEY QUOTES

"To succeed, we need to cultivate a good reserve of refreshing seeds."

"No blame, no reasoning, no argument, just understanding."

"When you understand, you cannot help but love. And when you love, you naturally act in a way that can relieve the suffering of people."

"When we are in contact with another's suffering, a feeling of compassion is born in us."

"One word, one action, or one thought can reduce another person's suffering and bring him joy."

Bringing people together. Hanh encourages us to create opportunities for old people to spend time with, or live with their *grandchildren*, as it brings everyone great joy. He also advocates *communities of mindful living* to provide support and a sense of belonging for the practice of mindfulness.

Engaged Mindfulness

During the Vietnam war, monks and nuns had to choose between their contemplative life and stepping out to help those in need. Hanh did both, and coined the term "Engaged Buddhism". He believes that awareness through mindfulness practice isn't enough; you must also take insightful action, e.g. mindfully helping others, taking each breath and step mindfully to transmit joy and peace.

Mindful Living

As a peace activist, Hanh strongly advocates mindful living not just for personal happiness, but also to bring peace to our troubled world.

Inter-Being

Hanh uses the term "interbeing" to describe how everything is interconnected and interdependent on everything else. A piece of paper in your hand can only exist because of the tree it came from, and by extension, the sunshine, rain and earth which nourished the tree. It's also made possible by the supply chain of people, machines, transportation etc. to deliver the paper to you, and by extension, their families, raw materials etc. Even your vision and brain are needed to make the paper "real". In short, if you look deeply enough, a piece of paper "inter-is" all elements; there's nothing that's not in it.

Flowers and Waste. Earlier, we've touched on how flowers and waste inter-are. Likewise, poverty vs wealth, beauty vs vileness, are all but concepts in our head. Someone's wealth is built on another's poverty, and it's dangerous to isolate ourselves using labels and concepts. Only by seeing "inter-being" in the world can we understand how we're responsible for *everything*, good or bad.

KEY QUOTES

"We have to find ways for old and young people to live together again. It will make all of us very happy."

"Practicing mindfulness is much easier with a community."

"Once there is seeing, there must be acting. Otherwise, what is the use of seeing?"

"Practicing breathing and contemplating our body, feelings, mind, and objects of mind, we practice peace in the present moment. This is living mindfully."

"As thin as this sheet of paper is, it contains everything in the universe in it."

"The truth is that everything contains everything else. We cannot just be, we can only inter-be. We are responsible for everything that happens around us."

Non-duality. We can't understand something or someone by observing them from the outside, as separate entities. We need to become one with them. To do that, you must look deeply, and allow yourself to be lost in the thing/ person, and vice versa.

Looking Deeply. When we look deeply enough into a tree, we'll *be* the tree, and can put ourselves in its shoes. We'll see that we're made of the sun, air, rain, and everything is a part of us. If more people practiced mindfulness, we'll understand the problems in ourselves, our society and Earth, live responsibly and secure our future.

Peace is Strength. People who push hard for political, social, environmental, or other changes often burn out after repeated setbacks. By cultivating inner peace through mindfulness, we gain clarity, strength and patience to sustain consistent action.

The Art of Mindful Living

Connect with nature. We are children of Nature; Being connected to, or being one with nature, is an integral part of mindful living. We'll become aware that when we throw away an orange peel, it'll soon form part of a flower, but when we throw away a plastic bag or bottle, it takes much longer to do so. Such mindfulness will shape our choices.

Bring peace with peace. Often, peace movements are done with protests, anger and frustration, when they should involve love, understanding and compassion. To promote peace, we must first be peaceful. To achieve true peace, we need people who understand the needs and suffering of *all* parties, and can adopt non-dual views rather than take sides.

No superior side. It's easy to side with the "good people" and condemn the "bad guys". But, if we had the same upbringing and influences as a murderer, rapist, or robber, we'd likely have behaved the same way. Rather than blame others for mistakes and pain of the past (e.g. world wars, civil wars, global warming), we should treat these as compost for our flowers of the future. Hanh shares his poem "Call me by my true names", which speaks of how we are both the "good" and "bad" things around us. When we can see that all things inter-are, our hearts will be opened.

KEY QUOTES

"To comprehend something means to pick it up and be one with it. There is no other way to understand something."

"With clarity, determination, and patience – the fruits of meditation – we can sustain a life of action and be real instruments of peace."

"Real strength is not in power, money, or weapons but in deep, inner peace."

"We are imprisoned in our small selves, thinking only of the comfortable conditions for this small self, while we destroy our large self."

"Peace work means, first of all, being peace... That is why it is so important for us to practice mindfulness, to acquire the capacity to look, to see and to understand."

"During any conflict, we need people who can understand the suffering of all sides... We need links. We need communication."

"Every side is 'our side'; there is no evil side."

Citizenship. Our circumstances are defined by our perception. By changing ourselves and how we see things, we can take action based on insight. We can live responsibly, and ask the same of our leaders.

Ecology of Mind. The seeds that we plant in our minds spill over to all aspects of our lives. To stop polluting the world with violence, exploitation and chemicals, we must start by protecting our minds from the pollution of media content that sow seeds of violence, fear and anxiety in ourselves and our children.

Reconciliation

What if you'd hurt others, and they now see you as an enemy?

- First, apologize, and make a commitment to change yourself.
- Then, work on transforming yourself; that's the only way to show that you mean what you say. When you're transformed, the other person cannot help but notice the difference and will forgive you.

Likewise, you can take the initiative to reconcile with your "enemies". To practice and test your compassion, try listening to someone who has hurt you. When you no longer feel the need to take sides on the situation, can empathise with their pain, and sincerely want to ease their suffering, you're truly beginning to understand.

Other Details in the Book to Look out For

Hanh uses many powerful analogies and simple examples in this book to help us understand abstract concepts and philosophies. His peaceful essence and deep insights emanate from the book, and reading the book mindfully is in itself a calming and enriching experience.

Hanh ends the book with "The 14 Precepts of the Order of Inter being", which summarize his key teachings and philosophies. He reminds us that all concepts and ideologies, including his teachings, are merely guides, and we should discover our own truth through living fully.

KEY QUOTES

"Meditation is to look deeply into things and to see how we can change ourselves and how we can transform our situation... the situation is mind, and mind is situation."

"When you begin to see that your enemy is suffering, that is the beginning of insight. When you see in yourself the wish that the other person stop suffering, that is a sign of real love."

"If we genuinely try to understand the suffering of another person, we are more likely to act in a way that will help him overcome his suffering and confusion, and that will help all of us."

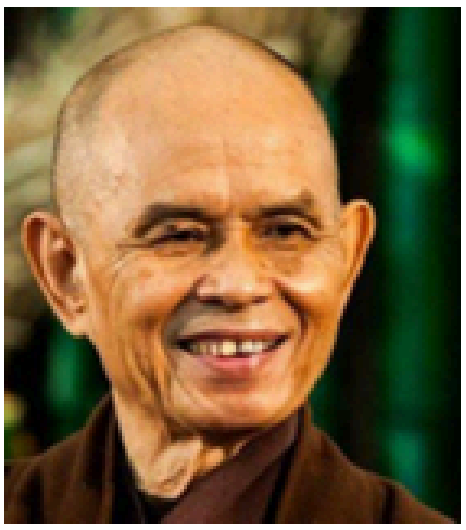
"There is nothing to chase after. We can go back to ourselves, enjoy our breathing, our smiling, ourselves, and our beautiful environment."

"All systems of thought are guiding means; they are not absolute truth."

"Truth is found in life and not merely in conceptual knowledge."

For more details about Hanh, his teachings and legacy, go to www.plumvillage.org.

About the Author

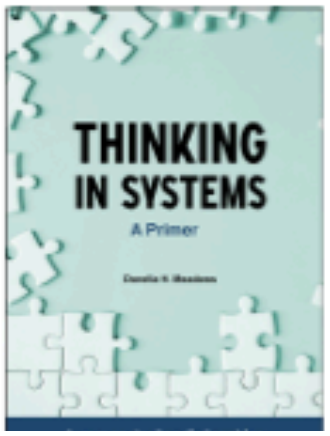


Thich Nhat Hanh (born 1926) is a global spiritual leader, poet and peace activist, known for his teachings and bestselling writings on mindfulness and peace. Hanh was ordained a Buddhist monk at the age of 16. In 1967, he was nominated by Dr. Martin Luther King Hr. for the Nobel Peace Prize, for his contributions to end the hostilities in Vietnam.

Because of his peace activism, he was exiled from Vietnam for 39 years. Hanh continued to teach, lecture and write, traveling widely to spread the message of peace and brotherhood. In 1975, he established the Sweet Potato community, which later became Plum Village, the West's largest and most active Buddhist monastery.

More recently, Hanh founded international "Wake Up" programs to train mindful living practices, opened numerous monasteries as well as Europe's first "Institute of Applied Buddhism" in Germany. He also led events for politicians (in the US, UK, Ireland, India, Thailand), and organizations like Google and The World Bank. Hanh suffered a stroke in 2014; he's still practicing in Plum Village as of 2016.

KEY QUOTES



THINKING IN SYSTEMS

A Primer

DONELLA H. MEADOWS

The Big "So What"

We live in a complex world of inter-locking systems. Systems thinking helps us to understand how things work, so we can better identify root problem causes, see new opportunities, make better decisions and adapt to changing circumstances. In this summary, we will:

- Give an overview of systems thinking concepts and principles; and
- Explain how to apply systems thinking in real-life.

Systems: Concepts and Principles

What are Systems?

Definition: A system is a set of interlinked elements that are organized to achieve a goal.

- Every animal, plant, organization and society is a complex system. A system's structure defines its *behavioral pattern*. While systems may be influenced by external forces, the *way* they respond to these forces tend to come from their inherent characteristics.
- This means that the economy will move in cycles regardless of what political leaders do. Companies that lose market share would've done so regardless of how competitors respond. Unless we can see how systems operate and create their own problems, we can't identify and address the *root causes*. We'll be like the proverbial blind men, each touching a different part of an elephant and drawing different conclusions about what an elephant is like.

KEY QUOTES

"We know a tremendous amount about how the world works, but not nearly enough."

"Systems happen all at once. They are interconnected not just in one direction, but in many directions simultaneously."

A system is more than the sum of its parts. Its elements are interrelated, e.g. the organs in your digestive system jointly break down the food you consume. Systems can be a part of larger systems, and may be able to achieve goals, evolve or even self-repair.

- *System elements* can be physical (e.g. machines, people, products) or intangible (e.g. culture, values, skillsets).

- Due to the sheer number of elements and sub-elements, it's more useful to examine the *interconnections* between elements—these may be physical (e.g. how products move through a factory) or information-based (e.g. how a customer decides to buy something).

- A system's *purpose* is the hardest to decipher—the only way to do so is to observe exactly how the system behaves. Since each sub-system has its own goals, a system can have a complex network of sub-systems and goals. For example, the students and staff in a university will have different goals from the university itself.

- Elements are the most observable but least crucial. The *greatest impact* comes from changes to the system's purpose, followed by its interconnections and elements.

KEY QUOTES

"The behavior of a system cannot be known just by knowing the elements of which the system is made."

"Purposes are deduced from behavior, not from rhetoric or stated goals."

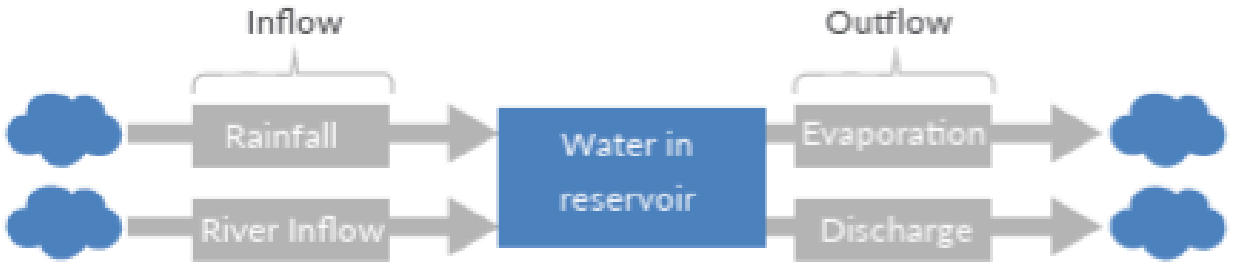
"A change in purpose changes a system profoundly, even if every element and interconnection remains the same."

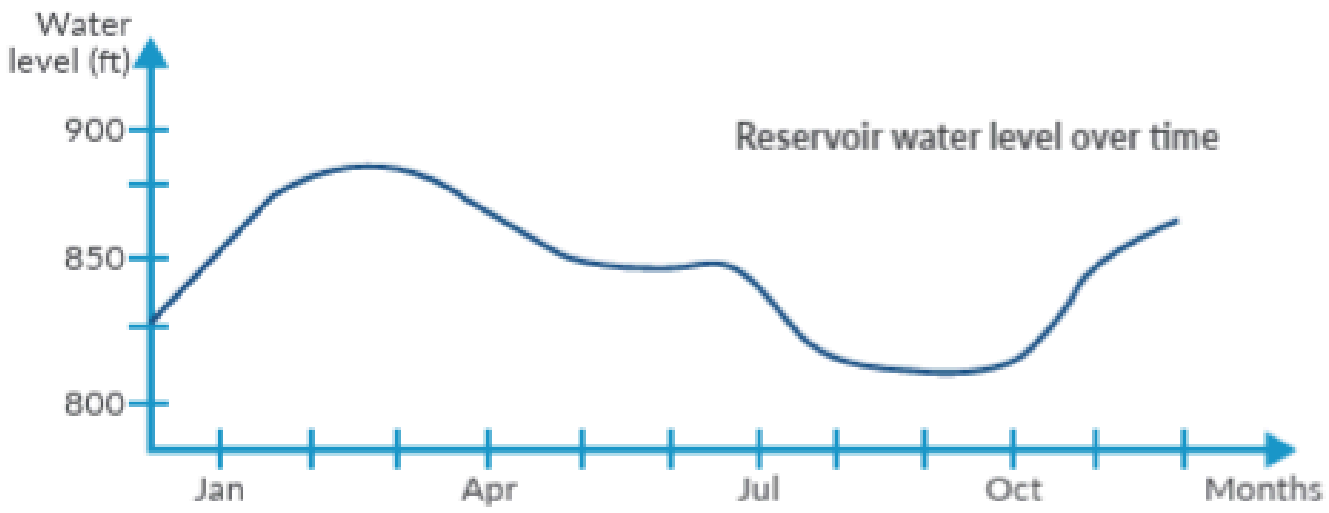
Stocks, Flows and Feedback Loops

Stocks and flows help us to understand how a system behaves.

- A *stock* is an observable or quantifiable aspect of a system, e.g. population size or inventory levels. It can be accumulated or depleted, and thus captures the history of *inflows and outflows* in the system. Stock levels rise when inflow is greater than outflow and vice versa. Stock levels stay constant and achieve dynamic equilibrium when inflow = outflow.

- The best way to understand a system is to (i) map out a *system diagram* and (ii) plot the variables/stocks on a *time graph*. For example, the simple diagram below shows the key factors that affect the water level in a reservoir. When you examine it alongside time-graphs, you can get a better grasp of how each variable affects the water levels.





- Stock levels tend to change gradually, thus providing *stability or momentum* in a system. We use stock levels to make decisions (e.g. offer discounts when there's excess inventory, spend less when the bank balance is low). Remember: flows take time and things can only happen as fast as they happen. To achieve your desired stock levels, you need to take such delays into account.

A feedback loop is formed when a change in stock affects the inflow/outflow for that stock, i.e. it triggers a process to increase, decrease or maintain the stock level. When you see a consistent pattern of behavior, there's always a feedback loop at work.

- A *balancing loop* is goal-seeking. For example, a thermostat regulates temperature—it warms up a room if it gets too cold, and cools it down if it gets too hot. Such loops bring stability but also resist change.

- A *reinforcing loop* amplifies an existing effect to trigger a virtuous or vicious cycle. For example, the more people catch a virus the faster it spreads, or the more you save the faster your bank balance grows from the compound interest. Such loops bring exponential growth but can also cause things to spin out of control and collapse.

Systems Behaviors

Just like how animals in the zoo give us a snapshot (but not the full picture) of wildlife, systems diagrams represent a simplified

KEY QUOTES

"A stock is the memory of the history of changing flows within the system."

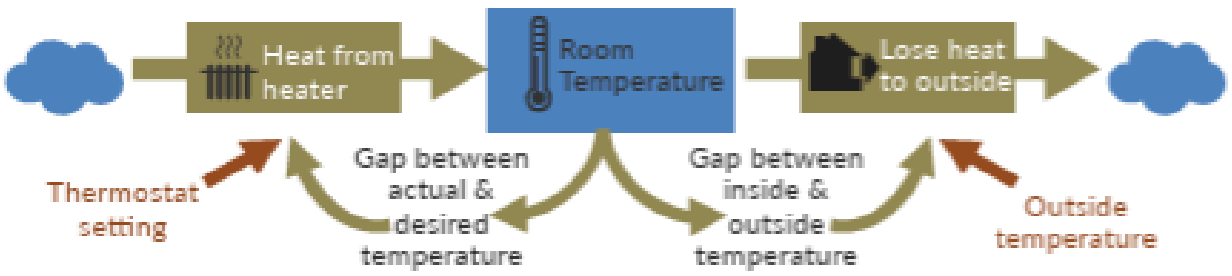
"A stock takes time to change, because flows take time to flow."

"Systems with similar feedback structures produce similar dynamic behaviors."

model of the world. Two systems that appear very different can exhibit similar patterns so long as they have similar feedback loops.

A one-stock system can have many feedback loops.

- During winter, the room temperature is affected by the thermostat setting (which controls heat released from the heater) and the outside temperature (which affects heat loss). These are *2 conflicting balancing loops* that affect the room temperature. A feedback loop can break down (e.g. if all the windows are opened to cause excessive heat loss).



- A country's population is determined by the nett effect of *a reinforcing loop (# births) and a balancing loop (# deaths)*. These are in turn driven by fertility and mortality rates. It's always easier to predict behavioral patterns than actual numbers, e.g. the exact population size could fluctuate as (i) fertility/ mortality rates change over time, (ii) a feedback loop becomes more dominant, and/or (iii) additional factors emerge (e.g. migration).

- There's always a *time lag* between something happening and the feedback loop registering it and taking corrective action. In balancing loops, a delay in 1 part of the system is likely to lead to oscillation (e.g. delay in product delivery → shop runs out of stock → perceived shortfall → place larger order → overstock). This effect, when combined with imperfect information and multiple feedback loops operating concurrently, can create massive ripples throughout a system.

A two-stock system can be much more complex, especially when 1 stock limits another stock, e.g. a mining company's money being limited by the availability of precious metals in the mines.

KEY QUOTES

"Dynamic systems studies usually are not designed to predict what will happen. Rather, they're designed to explore what would happen if a number of driving factors unfold in a range of different ways."

"We can't begin to understand the dynamic behavior of systems unless we know where and how long the delays are."

"Any real physical entity is always surrounded by and exchanging things with its environment."

- No physical entity/system can grow indefinitely—at some point, balancing loops will kick in to *limit growth*, e.g. a company can only grow insofar as it has manpower, customers, materials and resources. The nature of the constraints depend on whether the critical resources for growth are renewable or non-renewable.

- *Non-renewable stocks* are fixed in supply, e.g. once an oil field is depleted, there'll be no more oil. Your rate of extraction is only limited by your capital or resources. However, there's an inherent balancing loop in place: the faster you grow, the faster you'll drain the resources, making it progressively harder to grow until the stock is totally depleted.

- *Renewable stocks* can be living (e.g. fish or grass) or non-living (e.g. sunlight or wind), and can be regenerated through a reinforcing loop or a constant supply. They're limited by flow, i.e. they're inexhaustible so long as they're harvested at a rate slower than their rate of regeneration. However, once they're driven below a critical threshold, they can become non-renewable. For example, in overpopulated waters, fishes' rate of reproduction may improve initially if a slight decrease in fishes leaves more food for the remaining fishes. However, once the population drops beyond a critical point, reproduction plummets and the fish can become a non-renewable resource.

KEY QUOTES

"A quantity growing exponentially toward a constraint or limit reaches that limit in a surprisingly short time."

"Nonrenewable resources are stock-limited... Renewable resources are flow-limited."

Applying Systems Thinking

3 Characteristics of Effective Systems

Systems thrive with 3 key characteristics: resilience, self-organization and hierarchy.

Resilience in this book refers to elasticity, or the ability to bounce back to the original state after being strained or manipulated.

- Resilient systems are *dynamic*. A system is more resilient when (i) it has multiple feedback loops (so when 1 loop fails, another kicks in) and (ii) there's at least 1 loop that can repair other loops. The most resilient systems are those that can self-organize.

- Unfortunately, resilience is not obvious unless you have a full system perspective. We tend to *sacrifice resilience for stability or productivity*. For example, growth hormones can increase a

"Systems need to be managed not only for productivity or stability, they also need to be managed for resilience—the ability to recover from perturbation, the ability to restore or repair themselves."

cow's milk-production but reduces its long-term immunity. Pesticides kill pests, but they also kill off other species to disturb the eco-system's bio-chemistry, reduce its resilience and trigger long-term ecological disasters.

- Look beyond productivity or observable properties to consider how you can *strengthen a system's resilience* and self-regeneration capabilities. For example, instead of simply giving food and money to the needy, develop programs that increase people's ability to generate their own food and money.

Self-organization is the ability to learn, evolve and create new complex systems/structures to survive, rebuild and thrive.

- For example, the human body is developed from a single cell and constantly repairs itself. A company converts raw materials into a much more sophisticated form (e.g. a car or computer).

- Self-organization is spontaneous and unpredictable; it requires freedom and experimentation. However, complex creations are often built upon a few simple rules, like how all lifeforms are captured in a series of DNA, RNA and protein molecules.

Complex systems require hierarchies to organize the huge amounts of information/interactions and operate stably.

- For example, each cell in our body is part of an organ, which is a part of a system (e.g. digestive or reproductive system), which is a part of our human body. Each of us in turn is a part of a family, community, nation etc. Ideally, each sub-system should be able to manage itself while serving the needs of a larger system. The larger system in turn should integrate/augment the sub-systems *synergistically*.

- A system is *sub-optimal* when hierarchies don't work in sync. In such cases, imposing centralized control won't work and may even backfire. The only sustainable approach is to understand and address the needs of the sub-systems so the entire system can flourish dynamically. When hierarchies malfunction, the entire system can break down, e.g. when certain cells in the body multiply out of control and attack other cells.

KEY QUOTES

"Productivity and stability are the usual excuses for turning creative human beings into mechanical adjuncts to production processes."

"The ability to self-organize is the strongest form of system resilience. A system that can evolve can survive almost any change, by changing itself."

"Hierarchical systems evolve from the bottom up. The purpose of the upper layers of the hierarchy is to serve the purposes of the lower levels."

"When a subsystem's goals dominate at the expense of the total system's goals, the resulting behavior is called suboptimization."

Thinking in Systems

We tend to get surprised by systems because we over-estimate how much we know and under-estimate how complex systems are.

- Real-world systems are complex networks of stocks, flows, and feedback loops. Systems thinking helps us to consider the relationship between system structures, behaviors, and events. By asking what-ifs, we can *consider possible scenarios* so we're less likely to be surprised.

- Yet, in most cases, it's *impossible to accurately predict the future*. For example, there's no way to account for all the variables, relationships and events that affect economic growth or stock market indices. That's why complex modeling may still work for short-term predictions, but not for long-term forecasts.

Watch out for these thinking gaps:

- *Linear vs nonlinear relationships*. We tend to think in linear relationships (i.e. assume things run in a straight line) when most relationships are actually non-linear (i.e. there's no proportionate relationship between variables). For example, once vehicle density reaches a certain level, traffic jams get much worse.

- *Imaginary boundaries*. For simplicity, system diagrams use clouds to denote the stocks at the start/end. In reality, there's no finite start or end to a system. For instance, the earlier diagram on population size doesn't address the drivers for mortality/death rates, nor other factors that affect population size e.g. migration. It's unrealistic to try and capture *everything*—the key is to be aware that all system boundaries are imaginary.

- *Multiple constraints*. Every outcome is influenced by multiple factors, but we tend to think in terms of singular cause-effect relationships. Over time, a system's limiting factors (what's most vital for growth) will also change, e.g. a startup faces different constraints as it grows to a mid-sized firm. At some point, you must choose your limits (e.g. the maximum population size to maintain acceptable living standards), or the system will decide it for you (e.g. resource shortages, declining air quality).

KEY QUOTES

"Structure is the key to understanding not just what is happening, but why."

"The world is nonlinear. Trying to make it linear for our mathematical or administrative convenience is not usually a good idea."

"Remember that boundaries are of our own making, and that they can and should be reconsidered for each new discussion, problem, or purpose."

"Ultimately, the choice is not to grow forever but to decide what limits to live within."

- *Pervasive delays*. Things take time to happen, and there're delays in most feedback loops—delays in shipping, perception, processing etc. Mail takes time to reach the recipient and viruses take time to develop into diseases with observable symptoms. If there're long delays in the feedback loop, it'll be too late to take action when the symptoms surface, e.g. if you only start to build power plants when there're electricity shortages, you'll end up with cycles of under-capacity and over-capacity.

- *Bounded rationality*. We make the best possible decisions based on what we know to satisfy a current need. However, we (i) won't have perfect information, (ii) can't see all options, viewpoints or implications, and (iii) will always interpret info subjectively. Thus, a sound decision that meets a personal short-term goal can create long-term problems for ourselves and others. The best way to get a bigger picture is to experience the system from a different position, e.g. an activist going to work for the government body he's been campaigning against. Each shift gives you a wider system perspective to make better decisions.

Identifying System Traps and Opportunities

Learn to recognize the "behavior archetypes" or system structures behind common problems, so you can deliberately restructure them to fix the problems at cause.

Resistance to change. Balancing feedback loops can sustain behavioral patterns to make them change-resistant.

- In 1967, the Romanian government tried to increase birth rates by making abortions illegal for women under 45 years old. There was a temporary spike in birth rate, then people turned to illegal abortions or abandoned the children they couldn't afford to raise. So long as the sub-systems have different goals with players pulling in different directions, there'll be *policy resistance*. The harder 1 player pushes an outcome, the harder the other players in the balancing loop will resist.

- A better approach is to step back, identify all the players' goals and how to incentivize them to move in the desired direction. For example, to increase birth rates, you need to know why people aren't having more children. In the 1930s, Sweden's birth rate was declining. Instead of trying to forcibly increase family sizes,

KEY QUOTES

"To act only when a problem becomes obvious is to miss an important opportunity to solve the problem."

"Change comes first from stepping outside the limited information that can be seen from any single place in the system and getting an overview."

"The most effective way of dealing with policy resistance is to find a way of aligning the various goals of the subsystems, usually by providing an overarching goal that allows all actors to break out of their bounded rationality."

the Swedish government rallied the country behind the *common goal* of improving the quality of child care so every child is wanted and nurtured.

The "tragedy of the commons" comes about when a shared stock is eroded or destroyed because people exploit more and more of the stock instead of conserving it.

- Such problems arise in any *common resource* (e.g. public parks, common toilets) where users benefit directly from the stock, but share the cost of stock depletion. For example, a farmer can directly use every tree he cuts down, whereas the costs of deforestation is shared with everyone else. The more users there are, the scarcer the resource and the more people rush to consume it before it's depleted.

- *Solutions* include: (i) educating people on the implications of uncontrolled usage and appeal to their good sense, (ii) privatizing/splitting the resource so people are accountable for their own usage and (iii) using regulations (e.g. taxes, quotas, permits) to limit consumption. Paid parking lots, traffic lights, broadcasting licenses etc. are all examples of ways to manage the commons.

Systems may experience sliding standards or a "drift to low performance" if (i) the players perceive things to be worse than they are, and (ii) such perceptions affect their future targets.

- For example, you may accept lower-than-desired air quality because it doesn't seem any worse than before. The new (lower) standard becomes the norm and the *negative loop* continues.

- *Solutions* include: (i) sticking to absolute goals (vs being influenced by past/existing performance) or (ii) benchmarking only against the best historical performance.

Escalation arises when competing players try to outdo one another in a reinforcing loop, e.g. price war, shouting match, weapons race.

- Even escalation for positive things (e.g. efficiency, morality) can become negative when taken to the extreme. If left unchecked, it usually ends up with at least 1 of the players *collapsing*.

KEY QUOTES

"The tragedy of the commons arises from missing (or too long delayed) feedback from the resource to the growth of the users of that resource."

"Standards aren't absolute. When perceived performance slips, the goal is allowed to slip."

- *Solutions* include: (i) one party taking the first steps to unilaterally reduce the stocks (and stop the reinforcing loop) or (ii) negotiating balancing loops that can keep escalations in check.

Widening winner-loser gaps occur when winners get rewarded with resources that help them to win even bigger in future. This creates a reinforcing loop that could eliminate losers from the system, e.g. the rich using their wealth and access to gain even more wealth and access.

- *Solutions* include: (i) Diversification (e.g. a company moving to a new niche to exploit new resources), (ii) adding balancing loops to prevent domination (e.g. antitrust laws) or equalize the playing field (e.g. handicaps for weaker players), and (iii) finding ways to break the reinforcing loop (e.g. progressive taxes, public welfare).

Addictions. Just like how people can get addicted to alcohol or drugs, players in a system can get addicted to a solution that eases problem symptoms without addressing the root causes.

- Such interventions are usually introduced to boost a stock. However, if the root cause isn't addressed, problems will resurface and demand an even bigger fix. Worse still, the intervention could cause a *degeneration of the original system capabilities*, and shift the burden increasingly to the intervener. For example, kids' reliance on calculators can reduce their capacity for mental arithmetic, and the use of pesticides can destroy the pests' natural predators so farmers need to use even more pesticides.

- *Solutions* include: (i) withdrawing from the addiction (gradually or going cold-turkey), or (ii) avoiding it from the onset by strengthening the system's abilities instead of taking on its burdens.

In any system, there'll be people trying to break the rules, i.e. they seem to be following the rules but are actually working around them, e.g. drivers keeping to the speed limit only when there're speed cameras or police cars. Use rule-beating as a form of feedback to refine the rules, or design rules that specifically incentivize people to self-organize in the desired way.

KEY QUOTES

"Addiction is finding a quick and dirty solution to the symptom of the problem, which prevents or distracts one from the harder and longerterm task of solving the real problem."

"The secret is to begin not with a heroic takeover, but with a series of questions."

"Wherever there are rules, there is likely to be rule beating."

"Systems…have a terrible tendency to produce exactly and only what you ask them to produce. Be careful what you ask them to produce."

Systems will deliver whatever they're designed to deliver—if you set the wrong goals, you'll get disastrous outcomes. For example, an education system will deliver vastly different outcomes depending on whether you measure "good education" using expenditure or test results. Don't confuse efforts with results.

Creating Effective System Changes

The best way to change a system is to (i) identify the leverage points where a tiny shift could trigger a large change in behavior, then (ii) figure out the right direction to push. This is a difficult process that requires hard work and an open mind (to explore new ideas and options).

Use these leverage points in order of impact:

- Every system or society comes with its own *paradigm*, i.e. a set of unspoken assumptions and beliefs (about what's good, right, fair, etc.). Paradigm shifts can be achieved in any system with the right reinforcements and change agents. However, the ultimate leverage comes from *transcending* paradigms, i.e. realizing that there's no single "right" or "true" paradigm.

- A system's *goals* define its behaviors. Most systems (including cancer cells) seek to survive and grow. The key is to deliberately choose how far to grow and to what end, so we prevent 1 system's unchecked growth from destroying others.

- Increase a system's *self-organization* abilities so it can change dynamically. The best way to do so is to promote learning and evolution through diversity and experimentation.

- Use *rules*—including rewards, penalties and constraints—to directly shape behavior.

- Typically, system players will organize themselves with the right info. Design *information flows* to incentivize players to act in the desired way, e.g. show the increasing cost per unit to discourage people from consuming too much of a limited resource.

- Build in checks and balances to curb the momentum of *reinforcing feedback loops* to prevent long-term system collapse.

KEY QUOTES

"There are no cheap tickets to mastery. You have to work hard at it."

"If no paradigm is right, you can choose whatever one will help to achieve your purpose. If you have no idea where to get a purpose, you can listen to the universe."

"Missing information flows is one of the most common causes of system malfunction."

- A complex system comes with many *balancing feedback loops*, each designed to maintain a sub-goal and jointly define the overall system strength. Ensure that each balancing loop is strong enough relative to the impact it's designed to achieve, e.g. governments can only manage big industry players if they have enough power. Be careful when removing balancing loops e.g. an emergency cooling system may seem unimportant since it's usually inactive, yet its removal will weaken the system.

- Adjust the *length of delays* in feedback loops (where possible) to influence system behaviors and the level of oscillations.

- A system's behaviors are determined by the *structure* of stocks, flows and their interconnection. Your best leverage is to design a great system from the onset, since it's hard to change a system once it's built. You can only improve existing systems by addressing the bottlenecks and limiting factors.

- Build stocks that are big relative to the flows, so they can act as a *buffer* to stabilize the system, e.g. a lake is much less likely to overflow than a bathtub.

- *Numbers* seldom result in real change (e.g. tweaking minimum wages or tax rates won't restructure the economy), unless the change is big enough to trigger other leverage points above.

Conclusion

Ultimately, it's impossible to fully understand dynamic, self-organizing, nonlinear systems, much less predict or control them. The real value of systems thinking is in helping us to understand the complexity of the world we live in, so we can manage our expectations, learn from surprises, and actively design/refine systems and find creative ways to bring our visions to life.

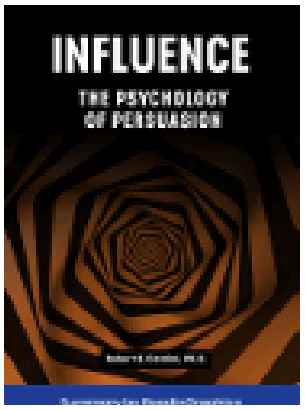
The book is packed with examples and diagrams (ranging from business to sociology and economics) to help us understand systems at work. Meadows also presents several rules of thumb to help us navigate more effectively in a world of systems. For more details, please visit academyforchange.org.

KEY QUOTES

"The only way to fix a system that is laid out poorly is to rebuild it, if you can."

"The future can't be predicted, but it can be envisioned and brought lovingly into being."

"The thing to do, when you don't know, is not to bluff and not to freeze, but to learn."



INFLUENCE

The Psychology of Persuasion

ROBERT B. CIALDINI, PH.D

The Big "So What"

Based on years of research, Cialdini discovered 6 key principles of persuasion which lead people to say "yes" automatically. Understanding these principles and associated techniques can help you to improve your influence and concurrently guard against others' manipulation.

Introduction

Fixed-action patterns. Both animals and humans have certain behaviors that are pre-programmed and activated once specific cues are triggered.

- Such patterns are essential for our survival. There are simply too many environmental stimuli for our brains to process everything. Using specific cues as *shortcuts*, we can react quickly without processing all the information. For example, a flash of sharp teeth or blade will signify "danger", causing us to step back instinctively without second thought.

- The same *predictable patterns* are behind animals' mating rituals and defence mechanisms. A mother turkey will care lovingly for a chick that makes a "cheep-cheep" sound (a good indicator that the chick is healthy), but will ignore or even kill a chick that doesn't chirp. The "cheep-cheep" sound is so powerful that the turkey will even care for a predator-shaped stuffed toy if it makes the sound.

In short, we tend to respond in an mechanical, predictable way to certain triggers or stimuli. With the right cues, we'll **say "yes" automatically** without conscious thought.

KEY QUOTES

"We must very often use our stereotypes, our rules of thumb to classify things according to a few features and then to respond mindlessly when one or another of these trigger features is present."

"Fixed-action patterns...occur in virtually the same fashion and in the same order every time."

- For example, you're more likely to comply to a request if the other party offers a reason using the word "*because*". You'll also estimate how good/heavy/valuable something is, just by comparing it with something you've just seen (the "*contrast principle*").

- We fall back on such shortcuts more when we're tired, stressed, distracted or rushed. With technological advancement, a faster pace of life and information-overload, we've become *increasingly reliant* on this primal way of making quick decisions.

After many years of research, Cialdini discovered 6 key **weapons of influence**, each built on a psychological principle of persuasion.

- Underlying all 6 principles is "*material self-interest*", i.e. everyone wants to pay the least, yet get the most.

- Each principle can be used to *bring positive change or deceive others*, depending on the intention of the user. Being aware of these weapons allow us to guard against "compliance professionals" (e.g. salespeople or marketers) who specialize in getting people to comply with their requests.

The 6 Principles of Persuasion

Reciprocity

When someone does something for us or gives us something, we feel obliged to repay in kind.

The **Reciprocity Principle** is a vital part of human society:

- It makes it less risky for people to offer help or goodwill to others; it facilitates sharing and cooperation which supports mankind's *social advancement*.

- You'll feel *indebted to repay a favor* even if you don't like the person.

KEY QUOTES

"We have created an environment so complex, fast-paced, and information laden that we must increasingly deal with it in the fashion of the animals we long ago transcended."

"A favor is to be met with another favor; it is not to be met with neglect, and certainly not with attack."

Reciprocity has been **widely tested and applied** in various settings:

- In an *experiment*, a man intentionally gave a free bottle of Coca-Cola to some participants but not others. Those who received the free drink later bought twice as many number of raffle tickets from the man as a favor, compared with those who didn't.

- In *sales*, free samples are commonly used to trigger the reciprocity principle and let customers try the product. It's also proven that you're more likely to get a *donation* if you give someone a small gift first.

- Reciprocity even works in *politics and war*. During World War I, a soldier was released after he shared his only piece of bread with the enemy who had captured him.

When you receive a concession, you'll also feel obliged to give a concession. There are **2 related compliance techniques** built on this principle: "reject-then-retreat" and "large-then-small".

- Basically, the other party starts with a larger request (e.g. present an item for $20). If you reject the request, he/she makes a smaller request (e.g. present a less valuable item for $5). In this case, you're *likely to agree the 2nd request* because (a) the requesting party seems to have made a concession, which triggers you to give a concession by switching from "no" to "yes" and (b) by perceptual contrast, the 2nd request seems smaller.

- The larger the initial request (within reasonable limits), the bigger the concession seems. The *requester wins by default*—if we accept the initial request, he/she gets a better deal; if we only accept the 2nd request, they still get a deal.

Interestingly, the receiving party doesn't usually feel cheated and even **responds positively.** Such techniques have been found to (a) increase the chance of *getting* an agreement, (b) increase the chance of the agreement being *fulfilled*, and (c) increase the *satisfaction level* of the receiving party. This is because:

- When we believe someone gave us a concession, we feel *responsible* for the outcome and tend to honor it.

KEY QUOTES

"A person who feels responsible for the terms of a contract will be more likely to live up to the contract."

- We also tend to feel more *satisfied* with the arrangement, and are hence more likely to repeat it in the future.

⚠ However, this principle can also be **used against us**.

- *Unsolicited debts*. We may be pressured to accept something that we don't want or dislike, yet feel compelled to repay it. For example, you may grudgingly accept a snack that someone bought for you, then later find yourself cornered to return the favor, resulting in a lose-lose situation. Or, you may receive an uninvited gift in the mail with a request for donation.

- *Unfair exchanges*. A small gift or favor may be used to trigger a much larger favor or purchase in return.

How to say no. It doesn't make sense to reject all favors, gifts and concessions, since many are genuine and benefit us. The key here is to identify the true intention of the requester.

- Start by *accepting the favor or gift* offered to you.

- If the person starts to make demands/requests after that, simply *redefine the situation mentally*. Recognize that it's not a real favor or concession, but a persuasive manoeuvre—this frees you from your sense of obligation and makes it easier to say "no".

Consistency

Once we take a stand or make a choice, we feel compelled to behave consistently with our earlier commitment, and to justify our own decisions so we feel better about them. This need to appear consistent (to ourselves and others) can make us act contrary to our best interest.

Consistency is an **important motivator** because:

- Most *cultures* value personal consistency. Consistency is associated with clarity, reliability or honesty, while inconsistency is associated with indecision, confusion or deceit.

KEY QUOTES

"Another person can trigger a feeling of indebtedness by doing us an uninvited favor."

"The rule says that favors are to be met with favors; it does not require that tricks be met with favors."

"We all fool ourselves from time to time in order to keep our thoughts and beliefs consistent with what we have already done or decided."

- It provides a mental shortcut to *minimize the amount of thinking required*—once we've decided on something, it's easier to use it to guide future decisions.

- It also allows us to *avoid difficult realities* that we'd rather not deal with, e.g. we may prefer to believe that our current solutions will work, rather than find alternatives to a tough challenge.

For the consistency principle to kick in, **a real commitment** must be made, with a fundamental shift in self-image. This involves several components.

- *Active*. When you actively do something in support of a position or decision, you become more committed to it. A written statement can be very powerful as it makes the person's views visible/concrete, and can be shown to others.

- *Public*. The more public your stand, the more reluctant you'll be to change it, for fear of appearing inconsistent. In a study, students were asked to make choices before being given conflicting data. Those who wrote down and signed next to their choices were the most unwilling to change their views, while those who didn't write down their choices were most willing to change them.

- *Effortful*. The more effort you've put into your choice, the more you will value and justify it. This is why tough initiation programs are so popular in tribal and fraternal societies—the more people have endure to secure their membership, the more they're committed to it.

- *Inner choice*. When we choose something without strong external pressures (i.e. huge rewards or huge threats), we feel more ownership of that decision and will stick to it willingly. However, if we believe that we did something just to get a reward or to avoid a threat, our fundamental self-image is unchanged and we'll drop these behaviors once the reward or threat is removed.

Once a firm commitment is made, there'll be **lasting changes** to our choices and behaviors. The commitment "grows legs" as we find new ways to justify it and make new choices in various situations to stay consistent.

KEY QUOTES

"There are certain disturbing things we simply would rather not realize... automatic consistency can supply a safe hiding place from those troubling realizations."

"Our best evidence of what people truly feel and believe comes less from their words than from their deeds."

"It appears that commitments are most effective in changing a person's self-image and future behavior when they are active, public and effortful."

"We accept inner responsibility for a behavior when we think we have chosen to perform it in the absence of strong outside pressures."

Unfortunately, **blind consistency** is often used against us.

- In *retail*, toy manufacturers may advertise certain toys during the Christmas season but understock them. Parents find themselves buying substitutes during Christmas, then getting another set of the originally-intended toys when they're are back in stock after Christmas—just to keep their promises to the kids.

- A common *sales strategy* is to secure a small (even loss-making) purchase, then use it to open the door for bigger sales. A deceitful salesperson may even offer an artificially low price, secure your commitment (with paperwork, trial runs etc.) before revealing at the last minute that there had been a mistake in the calculation or an omission.

- Organizations soliciting *donations* may use surveys to ask if you'd be willing to help collect funds for charitable organizations, or use pleasantries to get you to agree that you're feeling great. To stay consistent with your responses, you're more likely to agree later to contribute to the less fortunate.

- During the *Korean War*, many American soldiers were captured as prisoners-of-war (POWs) by the Chinese communists and successfully "converted" using the consistency principle. The Chinese initially got the POWs to make small, seemingly harmless statements like "The United States is not perfect", then progressively got them to make bigger commitments (e.g. listing down problems in America and even writing essays on them).

How to say no. The best way to avoid being manipulated is to become aware of it *before* we make a commitment.

- If you feel unsure about a situation, *pause and ask*, "Knowing what I know now, if I could go back in time, would I still make the same choice?".

- Then, pay attention to the first *gut-impression* that comes to you, before your logic kicks in. If your gut feel is one of discomfort or uncertainty, put aside your inclination to stick to past commitments and take time to review the facts.

KEY QUOTES

"When it occurs unthinkingly, consistency can be disastrous."

Social Proof

When we're uncertain how to behave or react, we look to others for answers.

Generally, this **rule-of-thumb** is useful for quickly figuring out norms or acceptable behaviors. We assume that if lots of people are doing something, it must be correct.

This principle is being **applied widely** in our daily lives.

- For *example*, TV-shows and comedies use canned laughter because it's proven to make the audience laugh more and works even for lousy jokes. Clubs create artificially long queues to give the impression that they are packed. Advertisers use "fastest-growing" or "best-selling" to signal that certain products are popular. Tip jars and donation boxes filled with some money tend to encourage people to tip or donate more.

- This principle is the most powerful when we are emulating the behavior of *people who are similar to us*. That's why many testimonials feature the average-person-on-the-street.

- Social proof can even help to *overcome phobias*—children who were afraid of dogs overcame their fear after repeatedly watching a video of a child happily playing with a dog. The clips were more effective if they showed a variety of children playing with dogs.

"**Pluralistic ignorance**" is a phenomenon where a large group of people go along with something they personally disagree with, but incorrectly assume is acceptable because others also do it. In a tragic incident, a woman was attacked near her house for more than 30min and eventually killed with multiple stab wounds. 38 people watched the attack from their own homes, yet no one called for help until the woman was dead.

- *This happened because*: (a) when there are many people around, everyone assumes someone else will help, so no one takes action, and (b) when people around us seem calm and unflustered, we infer that the situation cannot be an emergency.

KEY QUOTES

"In general, when we are unsure of ourselves, when the situation is unclear or ambiguous, when uncertainty reigns, we are most likely to look to and accept the actions of others as correct."

"We will use the actions of others to decide on proper behavior for ourselves, especially when we view those others as similar to ourselves."

- Pluralistic ignorance is most common in *a large group of strangers*, who try to look poised and dignified in front of others. It's thus likely to occur in urban settings, which are confusing, populous, with people who are less familiar with one another.

- If you're ever caught in an emergency, the *best strategy* to get help is to (a) be clear and specific about the help you need and (b) assign 1 person in the crowd to take action, e.g. "You, sir, in the blue shirt. I'm having a heart attack. I need help. Call the ambulance now."

This copycat behavior or herd instinct is so strong that it can even extend to **aggression and suicide.**

- After news coverage of a black fighter losing a heavyweight championship, there was a marked increase in the *homicide* rate for young black victims (but not white victims) in the next 10 days. Likewise, when a white fighter lost a match, more young white men (but not black men) were killed in the next 10 days.

- More than 2 centuries ago, a German novel (in which the hero committed suicide) was banned after the story triggered a wave of *suicides* in Europe. Today, front-page suicide stories are usually followed by a spike in deadly accidents (which Cialdini believes are suicides masked as accidents so insurance payouts won't be forfeited). In fact, the profiles of drivers in the accidents match those of the news coverage. News articles about a young person's suicide are followed by a surge of accidents involving young drivers, while news about an older person's suicide are followed by a surge of accidents involving older drivers.

How to say no. It's useful to learn from others so long as the feedback is valid and valuable to us. Beware 2 types of social proof:

- *Intentionally-falsified social evidence,* e.g. fictitious testimonials, bogus statistics. Cialdini urges us to expose and take strong action against such tricksters so they can't continue to deceive others.

KEY QUOTES

"Your best strategy when in need of emergency help is to reduce the uncertainties of whose around you concerning your condition and their responsibilities."

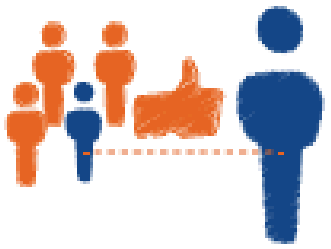
"The mentality of a herd makes it easy to manage. Simply get some members moving in the desired direction and the others...will peacefully and mechanically go along."

"The principle of social proof is so wide-ranging and powerful that its domain extends to the fundamental decision for life or death."

"Whenever possible we ought to sting those responsible for the rigging of social evidence."

- *Erroneous social evidence*, e.g. pluralistic ignorance or when certain actions/trends are replicated in a way that no longer makes sense. Periodically examine the evidence around you, like how a pilot monitors his instrument panel and environment instead of depending fully on the auto-pilot.

Liking



Generally, we're more likely to agree to someone's request if we know and like the person.

Friendships and personal relationships bring a sense of connection, safety and obligation, which influence our choices.

- *Tupperware parties* are a great example of how various weapons of influence are put to use. They evoke the *reciprocity* principle via upfront games and prizes, gain *commitment* by asking participants to share how they've used and benefited from Tupperware, offer *social proof* of people buying Tupperware at the parties and tap on the rule of *liking* by having your friend invite you to the party.

- A relationship can be leveraged even if the person is not physically present—one common tactic is through *referrals*. A salesperson gets a customer to admit that he/she likes a product, then asks for names of friends who'd also benefit from it. When the salesperson contacts the prospects, it's harder for them to say "no" to a friend's recommendation.

This principle works even if there are no established friendships—you simply need to **get someone to like you**. There are several factors that can predictably influence likability:

- *Physical attractiveness.* Good-looking people have an unfair social advantage because we unconsciously associate physical appeal with positive traits like talent, honesty, kindness, and intelligence. Attractive people are more likely to get help or change others' opinions. They even receive lighter sentences in criminal trials and higher-than-average compensations.

- *Similarity*. We tend to like people who are similar to us (in background, interests, opinions, age, religion, personality

KEY QUOTES

"An automatic-pilot device, like social proof, should never be trusted fully...it can sometimes go haywire by itself."

"The attraction, the warmth, the security, and the obligation of friendship are brought to bear on the sales setting."

"A halo effect occurs when one positive characteristic of a person dominates the way that person is viewed by others. And the evidence is now clear that physical attractiveness is often such a characteristic."

etc.). You can get someone to like you better simply by dressing like him/her or claiming to share similar interests.

- *Compliments*. When someone praises us, we tend to view him/her favorably, even if the praise is clearly inaccurate or comes with vested interests.

- *Contact and cooperation*. Generally, we like what's familiar. The more we're exposed to something, the more we're predisposed toward it, so long as (a) the exposure doesn't involve bad experiences (in which case familiarity can bring dislike) and (b) the other party seems to cooperate with us. Studies found that racial differences are more easily overcome when students of different races have to pool resources and cooperate to achieve a common goal. In law enforcement, the Good Cop-Bad Cop approach is commonly used to make the suspect like and cooperate with the "Good Cop".

- *Conditioning and association*. Our feelings toward people are affected by what we associate them with, e.g. we dislike people who bring us bad news even if they've not caused the news. That's why advertisers use celebrities and attractive models to associate their brands with beauty and desirability, and politicians try to associate themselves with positive news about job creation or advancement projects, even if they've not contributed to it.

All of us also unconsciously **associate ourselves with success** to look and feel good.

- People get emotional and defensive over their local or favorite *sports teams* because they associate themselves with the teams and take the wins and losses personally. On the day after a match, more people are likely to wear the winning team's jersey than the losing team's.

- We tend to use "we" when describing a *successful project*, and use "they" when describing a failure.

- Certain people (especially those with low self-esteem) tend to persistently *drop-names* to sound more successful or powerful.

KEY QUOTES

"We are phenomenal suckers for flattery... we tend, as a rule, to believe praise and to like those who provide it, oftentimes when it is clearly false."

"An innocent association with either bad things or good things will influence how people feel about us."

How to say no. It's hard to stop yourself from liking others. Instead, learn to identify when someone is deliberately using the rule of likability on you.

- Once you *notice the feeling of strong liking* for someone, ask yourself: In the time that you've known this person, is there reason for you to like him/her as much as you do?

- Even if you realize you like the person more than you'd have expected, don't assume you're being manipulated. Instead, make a deliberate mental effort to *separate the person from the request* he/she is making.

Authority

Each one of us, to varying degrees, is wired to **obey figures of authority**.

- Structure and authority are an integral part of *how our society functions*; without it, there'd be confusion and anarchy.

- Authority also offers a *short-cut to decision-making*, i.e. we let others do the thinking for us and simply get rewarded for following orders.

However, **blind obedience** is obviously undesirable.

- In an *experiment*, participants were instructed by an authority figure in a lab coat to administer increasingly larger voltages to another person, to supposedly study the relationship between pain and learning. Most participants followed orders even when the voltages reached fatal levels on the meter and the subjects were screaming and begging them to stop. [In reality, no charges were released in the experiment.]

- Many studies also found that *doctors' orders* in hospitals are followed blindly, even when the instructions obviously didn't make sense.

There are several symbols that reliably trigger our compliance to authority, and can be used to **influence our choices and behaviors.**

KEY QUOTES

"In making a compliance decision, it is always a good idea to keep separate our feelings about the requester and the request."

"We don't have to think; therefore we don't."

- *Titles*. We respect titles that take years of hard work and successes to acquire. Yet, it's relatively easy for con-men to forge credentials, or artificially improve their perceived status through related factors like size, height or other outward signs of power.

- *Clothes*. People wearing guard uniforms and business suits have been found to exert more influence over others. When a man wore a well-tailored business suit, he had 3.5x more pedestrians following him when he jaywalked, compared to when he dressed in normal clothes.

- *Trappings*. Other symbols of position and status (e.g. jewellery, prestige cars) also affect how we perceive and react to others.

How to say no. The best way to neutralise this principle is simply to be mindful that authority symbols can be faked.

- *Scrutinize the source of authority*, bearing in mind that it's a common trick for compliance practitioners to admit to a small flaw or weakness just to appear sincere and honest.

- *Ask 2 key questions:*

  i. Is this authority truly an expert? Filter out hollow symbols and examine if the credentials are valid and relevant.

  ii. How truthful can I expect this expert to be? Consider if he/she is truly credible and objective.

KEY QUOTES

"Titles are simultaneously the most difficult and the easiest symbols of authority to acquire."

Scarcity

Generally, we perceive something to be more valuable when it's limited in availability.

Human beings value choices and freedom, and are naturally **loss-averse**, i.e. we are more motivated not to lose something, than to gain something.

We also use an item's availability to **gauge its quality.**

- We value something more *if we see its quantity reduced before our eyes*, compared to if it had been scarce from the

"When our freedom to have something is limited, the item becomes less available, and we experience an increased desire for it."

onset. Downtrodden people who've always lived in deprivation tend to accept their fate, whereas those who experience a period of improvement followed by a sharp decline are more likely to rise in a revolution. Children whose parents give them privileges without consistent rules also tend to become more rebellious.

- We desire something the most if it seems to be less available due to *demand or competition*. That's why advertisers play up "by popular demand" or show queues of people flocking to snap up their goods. Property agents deliberately arrange for multiple prospects to view a house simultaneously. Even romantic pursuits seem more intense if there's a rival involved.

- *Things that are banned* also tend to be more desired. When information is censored, people not only want the information more, but tend to believe it more. Juries who were told not to consider a piece of information in a trial ended up using it even more.

There are several common **sales tactics** used to scare prospects into buying immediately so they won't lose a deal. The salesperson may tell you that there's only a *limited number* of products left, that an opportunity or offer is *expiring soon* ("limited promotion ends today!"), or you have to buy *right now*, because the price will go up or the item will no longer be available.

How to say no. When we encounter scarcity, our emotions take over and we're less likely to evaluate the situation thoughtfully.

- The first step is to *become aware of your emotional arousal*. Learn to scan your inner reactions so you're alert when someone is deliberately rousing you using scarcity tactics.

- Then, *evaluate the situation in 2-steps*: (i) Stop and calm yourself first, then (ii) ask yourself why you want that item. Scarcity may increase the value of possessing something, but doesn't improve its utility, i.e. a cookie won't taste better or satisfy your hunger more just because it is scarce. If you're buying something for consumption, consider its utility value so you won't give it an irrationally high value.

KEY QUOTES

"Not only do we want the same item more when it is scarce, we want it most when we are in competition for it."

"We react to information restriction...by valuing the banned information more than ever."

"In each instance, the intent (is) to convince customers of an item's scarcity and thereby increase its immediate value in their eyes."

"The joy is not in experiencing a scarce commodity but in possessing it. It is important that we not confuse the two."

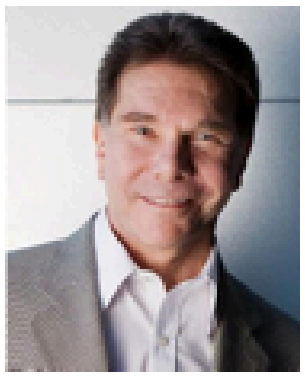
"We must remember that the item under consideration will function equally well whether scarce or plentiful."

Conclusion & Details in the Book to Look Out For

Each of these principles offer shortcuts to decision-making, but can also be used against us if we're not mindful. You can use the insights from this book to positively influence others and while protecting yourself from deception.

The book is full of detailed case studies and examples to explain each of the 6 principles, illustrate how and why they work, and how they can be used against us. For more details, please visit www.influenceatwork.com.

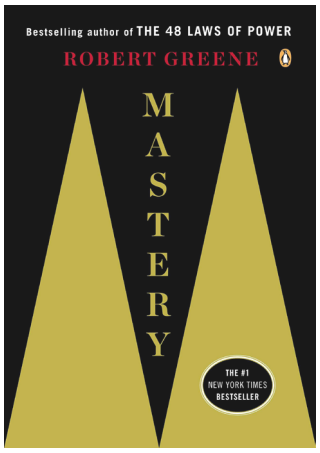
About the Author



Robert B. Cialdini (born 1945) is the Regents' Professor Emeritus of Psychology and Marketing at Arizona State University. He was previously a visiting professor at Stanford University, as well as at the University of California at Santa Cruz. Cialdini received his Bachelor of Science degree from the University of Wisconsin, earned his Ph.D. in Social Psychology at the University of North Carolina and received Postgraduate training in Social Psychology at Columbia University.

KEY QUOTES

"With the proper understanding of the nature of our opponent, we can come away from the compliance battlefield unhurt and sometimes even better off than before."



MASTERY

ROBERT GREENE

The Big "So What"

In this book, Greene examines the lives of exceptional historical figures like Charles Darwin and Leonardo Da Vinci to uncover how they become widely-admired Masters. Using the strategies in this book, you too can become a high achiever and attain mastery in your desired field(s).

Introduction

Mastery is the sensation that you're in full control of yourself, your environment and reality. As a master, you can enjoy both money and fulfillment doing what you naturally love.

Each of us is born with the **potential for greatness**.

- *Your brain is malleable*, i.e. it changes depending on how you use it. So, your actions literally shape your brain to affect your abilities and your life.

- Today, we have more freedom of choice and access to knowledge than past generations. With the right *beliefs, attitude and approach*, anyone can achieve greatness.

Based on extensive research on neuro/cognitive sciences and various Masters' biographies, Greene discovered that **mastery can be nurtured systematically in 3 phases**:

- *Apprenticeship*: This is when you learn the basics of a certain field.

KEY QUOTES

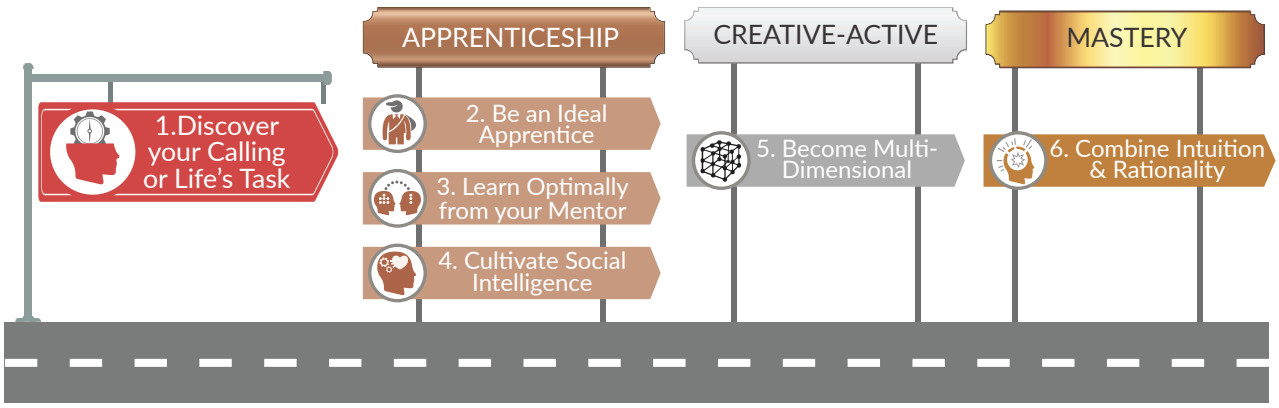
"Everyone holds his fortune in his own hands, like a sculptor the raw material he will fashion into a figure."
—Johann Wolfgang von Goethe

"Our dominance, our mastery does not stem from our hands but from… fashioning the mind into the most powerful instrument known in nature."

- *Creative-active*: With immersion and practice, you deepen your understanding of the field and start to experiment with your own methods.

- *Mastery*: You have such high levels of focus, knowledge and experience that you can see the full picture and bend/change the rules to achieve spectacular results. It typically takes at least 10,000 hours of intense practice, or about 20 years to attain the required combination of skills, knowledge, and intuition.

In this summary, we'll present the strategies and tips for the 3 phases of Mastery in 6 parts.



KEY QUOTES

"Intuitive powers at the mastery level are a mix of the instinctive and the rational, the conscious and the unconscious, the human and the animal."

Part 1: Find Your Calling or Life's Task

All of us have an **internal force** that nudges us toward our calling or Life's Task. As a child, you were intuitively drawn to certain topics or activities. Yet, as you mature, this force may be muted due to social pressures—you end up working for money or for others' approval and get disconnected from your true identity.

"You possess a kind of inner force that seeks to guide you toward your Life's Task—what you are meant to accomplish in the time that you have to live."

Look inward and **reconnect with your natural inclinations**.

- *Find your vocation* or the work that's deeply connected to who you are. When you find your ideal vocation, it feels "right" and you find yourself learning much faster with a sense of child-like wonder.

"Your vocation is more than the work that you do. It is intimately connected to the deepest part of your being and is a manifestation of the intense diversity in nature and within human culture."

- When you *align your efforts with your passions*, it's easier to sustain the years of hard work required on the path to mastery.

5 Strategies to Discover Your Life's Task

Primal Inclination Strategy: Think back on what fascinated you as a child: did you respond profoundly to an object, feel empowered by certain activities, feel fascinated by certain cultural aspects, or feel inspired by a specific Master? Consider the things that still bring out a sense of child-like wonder, visceral feelings and deep connection in you. Leonardo Da Vinci spent hours as a child contemplating nature and drawing things in painstaking detail. This continued into his adulthood, where he was always trying uncover the essence of life by studying and creating things.

Darwinian Strategy: Don't follow a conventional career path and compete in a crowded space. Find the perfect niche that you can dominate using these 2 approaches:

- *Move in a broad direction, then keep narrowing your path* until you reach a specialized, unoccupied niche. As a child, V. S. Ramachandran was obsessed with science books and seashells. He went on to research human anatomical abnormalities, optical illusions and blind spots, before moving into visual psychology. He knew he'd found his niche (anomalous neurological disorders) when he stopped feeling restless or out of place for the first time in his life.

- *Develop expertise in multiple areas then combine them* in a unique way. Yoky Matsuoka was an accomplished tennis player who left her sporting career to study electrical engineering, then artificial intelligence in robots. She eventually combined her interests/expertise to create a new field called neurobotics.

Rebellion Strategy: Actively rebel against the forces that lead you toward the wrong career (e.g. parental influence, fame, money). In his early music career, Mozart's potential was limited by his father's tight control. After Mozart reached adulthood, he finally broke free to pursue his own path. This alienated him from his father, but led to the creation of his most famous masterpieces today.

KEY QUOTES

"In order to master a field, you must love the subject and feel a profound connection to it. Your interest must transcend the field itself and border on the religious."

"Ultimately you create a field that is uniquely your own."

"Your true self…comes from deep within you…It exists for a purpose, and it is your Life's Task to bring it to fruition."

"It is a healthy part of your development to…establish your own identity. Let your sense of rebellion fill you with energy and purpose."

Adaptation Strategy: Don't be trapped by your past choices. If something isn't working for you, let it go and find creative ways to adapt/apply your existing skills and experience. After Freddie Roach was forced to retire as a championship boxer, he felt disgruntled and became a telemarketer. Later, he realized that his real passion wasn't for boxing, but for competitive sports and strategies. He started to train other boxers using novel training methods and went on to become the most successful trainer of his generation.

Life-or-Death Strategy: Even if you've deviated from the right path, it's never too late to get back on track. Let your failures and weaknesses turn you from the wrong paths, and focus on becoming excellent at the things that you're good at.

- After a series of setbacks, *Buckminster Fuller* was so disillusioned that he attempted suicide. At the last moment, he had an epiphany. He realized that his "mistakes" were merely the Universe's way of directing him in a better direction. He followed his inner voice and conceived many game-changing inventions and ideas.

- *Temple Grandin* was born with autism and struggled with many things. She focused on the 2 things she was good at—interacting with animals and building things with her hands—and found her niche as a specialist on animals and autism.

Part 2: Be an Ideal Apprentice

All Masters go through a **transformative phase** in their lives, like how a butterfly emerges from its chrysalis. This typically involves a self-directed apprenticeship that lasts 5-10 years.

- Theoretical knowledge from your formal education isn't enough. You need a *practical education* to learn how the world truly works, develop practical skills and discipline, and train yourself to think independently.

- During the apprenticeship phase, your goal is not to seek money or status, but to *transform your mind and character*. Choose a role that will give you the greatest

KEY QUOTES

"Your Life's Task is a living, breathing organism."

"In the end, the money and success that truly last come not to those who focus on such things as goals, but rather to those who focus on mastery and fulfilling their Life's Task."

"One can have no smaller or greater mastery than mastery of oneself."
– Leonardo da Vinci

"See your apprenticeship as a kind of journey in which you will transform yourself, rather than as a drab indoctrination into the work world."

growth opportunities. Charles Darwin spent almost 5 years on a ship collecting life and mineral specimens. The voyage transformed him from a reluctant student to a committed, enthusiastic naturalist. The insights from those months of real-world study sparked his theory of evolution, which he then devoted his life to validating.

The 3 Modes of Apprenticeship

Learn how to learn, so you can conquer any field.

Passive mode: observe deeply. Every field involves centuries of accumulated knowledge, rules and relationships. Drop your preconceptions, so you can absorb what's really going on.

- Pay close attention to (i) *how things are done* (including explicit/hidden rules and procedures), and (ii) the *power dynamics* (including the relationships, communications and control structures). These help you to navigate the environment, develop observation and analytical skills, and build the habit of diagnosing a situation before jumping into action.

Practice mode: develop skills. In the Middle Ages, young people spent 7 years to learn their craft as apprentices, observing and imitating their masters, then repeatedly practicing the skills.

- *Build 1 new skill at a time*. Don't multi-task.
- *Persist with focused, repeated practice*. Prolonged and consistent practice changes your brain neurologically, so the skills become hard-wired. Don't jump from task to task: 2–3 hours of focused work is much better than 8 hours of distracted work.
- Once you can do an action automatically, step back to *assess how to improve*. Observe yourself from a distance, get feedback from others and measure your progress.
- You'll experience a *cycle of accelerated returns*: what used to be hard will get progressively easier and more pleasurable. You will also be gradually transformed.

KEY QUOTES

"The ability to observe any unfamiliar environment will become a critical lifelong skill."

"Concentrated practice over time cannot fail but produce results."

The pain and boredom we experience in the initial stage of learning a skill toughens our minds, much like physical exercise.

"You cannot make anything worthwhile in this world unless you have first developed and transformed yourself."

Action mode: experiment with new approaches. Force yourself to start experimenting *before* you think you're ready. In so doing, you'll know where you stand, get feedback to improve, gain a thicker skin, and learn to manage your ego. Use failures and criticism as fuel to improve yourself. This prepares you for the next phase where you must deliver results under constant scrutiny.

8 Strategies for a Successful Apprenticeship

Focus on learning, not money. If you develop the desired skills, you'll eventually earn money. But if you focus on money, you may end up with a career you dislike. Look for learning opportunities with hands-on work and great mentors. Offer to work for free so people may be more willing to teach you their trade secrets.

Keep pushing your boundaries. Interact with as many different people and ideas as possible to expand your mind. Whenever you start to feel comfortable, shake things up and seek new challenges.

Let go of your ego or sense of superiority. **Return to a beginner's mind**—have a child-like curiosity and openness, and be willing to depend on those who can teach you.

Achieving mastery takes time, and you'll likely feel frustrated or insecure along the way. **Be patient and trust the process**. If you keep working and learning, you will eventually make it.

Embrace discomfort and pain instead of avoiding them. Critique your own work ruthlessly. Push your focus, creativity etc. beyond your perceived limits.

Treat your failures as lessons—use them to uncover what you must change/improve to succeed in future.

Go beyond appearances (how things *seem* to be) to **learn how things really work**. Learn all the necessary skills in your field, including the "whats" (visible outcomes) and the "hows" (hidden secrets, underlying anatomy and connections that affect how things move and change).

KEY QUOTES

"What is important when you are young…is to train yourself to get by with little money and make the most of your youthful energy."

"Be relentless in your pursuit for expansion…Soon, ideas and opportunities will come to you and your apprenticeship will naturally complete itself."

"When it comes to mastering a skill, time is the magic ingredient."

"Repeated failure will toughen your spirit and show you with absolute clarity how things must be done."

Don't follow a fixed career path. **Grow through trial and error**, exploring different paths connected to your deepest interests and learning as many related skillsets as possible. Ideally, start a broad apprenticeship when you're young to expand your future options.

Part 3: Learn Optimally from Your Mentor

Life is short, so don't waste time learning without guidance. A good mentor can greatly **accelerate your apprenticeship**.

- *Michael Faraday* was the son of a blacksmith who learned about science through books and lectures. But he only developed real scientific know-how after he became an assistant to prominent chemist Humphry Davy. For years, Faraday soaked up Davy's knowledge while developing his own insights. He went on to develop theories that revolutionized 20th Century science and far outshone his former-mentor.

- You can self-learn using generic information from books/courses. However, good mentors speed up the learning process drastically by *tailoring the insights and feedback* specifically for you.

- It's best to have *1 mentor at a time*. But if you can't find a perfect mentor, find various mentors to fill different gaps.

Face-to-face interaction is crucial for learning the nuances behind a craft. Masters are busy, so you'll have to make the most of whatever time you get with them.

- To attract potential mentors, first *develop yourself*—demonstrate work ethics, organizational skills and an enthusiasm for learning. Be prepared to embrace menial work and add value to the Masters in whatever way you can.

- A strong mentor-protégé relationship requires *mutual emotional investment*—the mentor feels vested in your success, while you admire the mentor as a role model. Be humble, submit yourself fully and absorb all you can as an apprentice.

KEY QUOTES

"We must constantly ask the questions – how do things work, how do decisions get made, how does the group interact?"

"The right mentors know where to focus your attention and how to challenge you. Their knowledge and experience become yours."

"Mentors do not give you a shortcut, but they streamline the process."

"You want person-to-person access, however you can get it."

On the path to mastery, each mentor is only a stepping-stone to the next level. Your goal is to **surpass your masters**. Once you've internalized what they have to offer, move on without guilt. Don't stay in their shadows.

4 Strategies to Optimize the Relationship with Your Mentor

Build a productive emotional connection so your mentor is more likely to reveal trade secrets that're not usually shared with others.

Choose a mentor who suits your needs and limitations, including (i) the right skills and knowledge for your goals, and (ii) the right fit for your calling and learning style. You want someone to nurture your unique traits, not squash them. Sigmund Freud was a mentor to Carl Jung for 5 years, until Jung decided he could no longer accept Freud's dictatorial style. Still, the mentorship shaped Jung's self-identity and theories, without which he couldn't have started his own branch of psychoanalysis.

Embrace tough love from your mentor. A good mentor points out the harsh truths and puts you through the necessary ordeals, so you become grounded in reality and toughened to overcome challenges.

Don't just copy your mentors. Learn to think independently and **adapt their styles/ideas** to differentiate yourself. Piano maestro Glenn Gould spent 8 years learning from Alberto Guerrero before striking out on his own. By infusing Guerrero's teachings with his own spirit and creativity, he created a style that encompassed Guerrero's essence but was even greater.

As an apprentice gains mastery, he may disagree with the mentor and resent the latter's authority, while the mentor may try to suppress perceived threats or challenges to his authority. Seek to **create a two-way dynamic** in your relationship. Boxing coach Freddie Roach transformed Manny Pacquiao into a top boxer. Pacquiao never tired of Roach's coaching, while Roach used Pacquiao's improvisation and feedback to hone his own coaching

KEY QUOTES

"Your goal is always to surpass your mentors in mastery and brilliance."

"You must get the sharpest dose of reality that is possible from your mentor. You must go in search of it and welcome it."

"Poor is the apprentice who does not surpass his Master."
– Leonardo da Vinci

"Once a back-and-forth dynamic is sparked, the relationship has almost limitless potential for learning and absorbing power."

techniques. Receive instructions respectfully but occasionally push back to clarify what you need, adapt some of the ideas or offer feedback on their instruction.

Part 4: Cultivate Social Intelligence

Social intelligence is the ability to see people as they are, instead of how we imagine them to be. It improves your relationships and quality of thinking. On the other hand, social naivety leads to mistakes, conflict and confusion, leaving you with little time/energy for mastery.

- Understand the reasons behind others' behavior so you can *manage each person or situation* like playing a game of chess. Benjamin Franklin was famous for his social intelligence. To get the French's support in the War of Independence, he shed his celibate habits to adopt the French's lavish and wanton lifestyle. Many Americans criticized him, not realizing this was his key to winning the French's trust and brokering a vital military alliance.

- *Accept human nature as it is*. Everyone has a dark side (e.g. being manipulative, defensive or greedy). Don't get overly upset or cynical about people, nor try to change them.

Master human nature in 2 parts:

- *Specific knowledge* of human nature, i.e. the ability to read people and understand their character and viewpoints. Pay close attention to what they say/do over time, their non-verbal cues and their work/living spaces. Put yourself in their shoes to understand what they're going through.

- *General knowledge* about timeless patterns of human behavior. Learn to detect and avoid these 7 ugly aspects in all humans:

  (i) *Envy* can lead people to block you. Be humble, display some weakness or insecurity, and don't make others feel stupid.

  (ii) Every group requires some *conformity*. Blend in and don't voice your dissent openly, at least until you've established your position in the group.

KEY QUOTES

"To be truly charming and socially effective you have to understand people, and to understand them you have to get outside yourself and immerse your mind in their world."

"Better to accept…people as one accepts the thorns on a rose. Better to observe and accumulate knowledge on human nature, as one accumulates knowledge in the sciences."

"People will say all kinds of things about their motives and intentions…Their actions, however, say much more about their character."

(iii) People may *rigidly* stick to what's familiar. Outwardly respect others' need for order but seek fresh ideas on your own.

(iv) People will always act in their *self-interest*. When making a request, always appeal to what's in it for them.

(v) People are *lazy* and prefer faster/easier paths to their goals. Don't let others steal your ideas/credit or pass you the hard work in the guise of collaboration.

(vi) People often make *flighty*, irrational decisions. Focus on what others do, not what they say or promise.

(vii) To counter *passive aggression*, avoid direct confrontations. Exit the conflict or use a subtle/indirect counter-attack.

KEY QUOTES

"Think of the workplace as a kind of theater in which you are always wearing a mask."

4 Strategies for Developing Social Intelligence

Don't fight political maneuvering or resistance head on. **Speak through your work**—be efficient, involve others, embrace feedback, deliver results, and show you can advance the group's objectives.

People *will* judge you based on your appearance. **Design personas** that suit you (e.g. mysterious, imposing). Switch your personas to match your environment, like how a performer wears various masks.

We're usually oblivious to our social flaws. **Consider how others see you**: get feedback and reflect on past conflicts to honestly assess how you may have contributed to the problems.

Don't waste your energy on fools who lack common sense, focus on the wrong things, or create trouble. Use them to remind yourself what not to do, or turn their foolishness to your advantage.

Part 5: Become Multi-Dimensional (Creative-Active)

During childhood, our minds are totally open, we experience the world using all our senses and anything seems possible. Yet, as we grow up, we start to limit ourselves with rules and assumptions. Masters have a "Dimensional Mind" that combines a child-like spirit with focused, disciplined learning.

- There are *2 criteria* for cultivating the Dimensional Mind: (i) deep knowledge of a subject and (ii) the ability to apply this knowledge in flexible, original ways. After Mozart broke free from his father's strict control, he was able to create a totally new style of music by combining 20 years of musical experience with his inner voice and creativity.

- Learn the rules of a field during your apprenticeship without being limited by them. *Challenge and reshape the rules you've learned*. Keep expanding your skills, knowledge and experience by exploring new fields, making new connections and experimenting with new concepts.

3 Steps to Become Multi-Dimensional

Choose a **creative task** that'll maximize your skills and knowledge.

- Pick a task you're *obsessed about* and feel deeply connected to. For Mozart, it was composing opera music. For Edison, it was solving the electric light riddle. You'll need the passion to sustain you through the hard work and setbacks.

- Ideally, pick something that triggers your sense of *rebelliousness*. Make sure you have the skills and knowledge to realistically pull it off, but be prepared to embrace uncertainty and discomfort

Use 5 **creative strategies** to continuously stretch your mind:

KEY QUOTES

"Masters…are simply people who manage to retain a sizeable portion of their childhood spirit despite the pressures and demands of adulthood."

"As you emerge from your apprenticeship, you must become increasingly bold."

"Think of yourself as an explorer. You cannot find anything new if you are unwilling to leave the shore."

- "Negative capability" is the ability to *embrace the unknown*. Accept that you don't know everything. Suspend your judgment, consider conflicting views, and see the world as it is instead of fitting things into your pre-conceptions. This opens your mind to creative alternatives.

- *Allow for unexpected discoveries*. Broaden your research to include diverse fields and examples that can disprove your theories. If you're tensed, take a break or switch to a relaxing activity. A relaxed mind absorbs inputs better and makes more connections, which can lead to serendipity. You can also use random words, images or analogies/metaphors to jolt your brain into fresh ways of thinking.

- Alternate between real-world observations and mental speculations about what they mean. *Repeatedly develop theories then test them in reality* to grasp complex concepts beyond your limited human senses (e.g. electricity, evolution, gravity).

- *Expand your perspective*: (i) look at "what" and "how", (ii) examine details in addition to the big picture (to see how the parts fit into the whole), (iii) examine anomalies (not just the norm) and (iv) look at what's missing (not just what's present).

- Don't limit yourself to words. Humans naturally think in images, so use visuals and 3D models to crystallize your ideas. If possible, *activate all your senses*: use music, paintings, fragrances etc. to stimulate your brain.

Create the ideal conditions for a **creative breakthrough**. Masters set high standards and work with such intensity and urgency that it pushes their minds to new levels. Yet the solution often surfaces when/after they take a break. Push yourself as hard as possible, then let go periodically when you feel strained or hit a creative block.

- *Set deadlines* to force your brain to work at an unusually-high level of intensity. French mathematician Evariste Galois was about to enter a duel and knew he may die. He worked fervently on several complex math problems that had remained unsolved for a long time, and managed to complete most of them.

KEY QUOTES

"To negate the ego you must adopt a kind of humility toward knowledge."

"Chance favors only the prepared mind."
– Louis Pasteur

"Creative people are actually looking at what is hidden in plain sight, and not rushing to generalize and label."

"Creativity is by its nature an act of boldness and rebellion."

- When you feel stuck, *take a break*. The solution may just come to you after that. Albert Einstein spent 10 years studying general relativity and decided one night to give up. After a night's rest, he woke up with the solution.

Beware of these **6 common emotional obstacles** to creativity: complacency, conservatism, dependency on others, impatience, egotism and inflexibility.

9 Creative-Active Strategies

The Authentic Voice. Learn the basics and absorb a wide range of styles/techniques. Once these are hard-wired in your system, your mind is free to creatively combine and personalize them until you find your unique voice.

Look for "facts of great yield". It's better to examine many facts that'll lead to 1 big discovery, than to succeed in many trivial ideas with minimal impact. Scan for anomalies or intriguing facts that could reveal a hidden truth with a huge impact (e.g. debunking a prevailing norm, or a discovery with unlimited applications). Dig deeply to uncover those truths.

Don't study just 1 part of a system. Assume all parts are closely intertwined. Take the time to examine the topic from different angles and study the **complex interlinkages**.

Develop the **mechanical intelligence** required for superb craftsmanship and long-term success. Personally test/use your creations so you can see/sense how the parts work together holistically. The Wright Brothers beat teams of well-funded engineers to build the world's 1st motor-operated airplane. Instead of using abstract plans and specialists for different parts, they figured out the mechanics of flight by testing many different theories and prototypes in real life.

Give time to your creative process. Initially, give yourself time to dream and explore, using powerful emotions to drive your ideas. Then, refine your ideas without being fixated on your initial vision.

KEY QUOTES

"What you want in the end is to internalize the voice of your Master so that you become both teacher and pupil."

"Better to look into ten such facts, with only one yielding a great discovery, than to look into twenty ideas that bring success but have trivial implications."

"The extreme paradox is that those who impress the most with their individuality...are the ones who first completely submerge their character in a long apprenticeship."

If everyone follows established norms, the culture feels cluttered. When you **go against convention** to pursue an idea you feel strongly about, it's like creating an open field to plant and grow your idea. People will be drawn to that new space.

When you're stuck with technical details, **zoom out** to reconnect with a broad inspiring vision and free your mind to see new paths.

The creative process doesn't follow a straight line. Your breakthrough could very well come from a random event that connects everything you've learned over the years—a process known as "**evolutionary hijack**".

We tend to think in binary terms (e.g. good vs bad, pain vs pleasure) when things don't fit into neat categories. Remove those artificial constraints and consider how to blend opposites into **third alternatives**.

Part 6: Combine Intuition & Rationality (Mastery)

There's a **higher form of intelligence** that enables us to grasp the intangible and predict trends, much like a sixth sense. Masters often talk of seeing something "more". Chess master Bobby Fischer could see forces that predicts how a chess game would unfold. Albert Einstein had a mental image of how the universe worked that others couldn't conceive.

This intelligence is cultivated through years of intense and persistent immersion in a field. You acquire such a thorough understanding of the intricacies in a field that you can **combine the rational and intuitive** to grasp the complex realities.

- There's a limit to our *rational, conscious minds*. We can break down a complex system by studying its parts, e.g. trying to understand an animal by studying its anatomy and behaviors as separate parts. But we miss the unseen, complex forces behind how living organisms evolve, or how entire ecosystems or galaxies work.

KEY QUOTES

"Creativity and adaptability are inseparable."

"By delving into the chaotic and fluid zone below the level of consciousness where opposites meet, you will be surprised at the exciting and fertile ideas that will come bubbling up to the surface."

"The reasoning of Masters is guided by intuition; their intuition springs from intense rational focus. The two are fused."

- During their years of study, Masters absorb info, apply and internalize them to the point that they're *deeply locked into their memory*. They can perform their craft by reflex, which frees up their minds to make sub-conscious associations. Their minds keep expanding until they can grasp complex realities in their entirety.

It typically takes 15-20 years to **develop your intuition** in an area.

- Masters learn to pay attention to high-level intuitions and *act upon them*. Some lead nowhere while others produce great insights. With time, they can call up these intuitions more automatically and fuse them with their rational thoughts.

- *You can't rush the process*. Exercise self-control, trust the process, commit yourself to intense study and take one step at a time.

7 Strategies to Attain Mastery

Masters don't try to fit into a conventional mold. They follow their inner compass, even if it means facing others' ridicule and criticism.

Connect deeply with your environment: observe it closely and experience it both physically and viscerally. Become so highly attuned to your environment that you can sense changes before they occur. Caroline Islanders can navigate complex oceans without any maps or instruments—they use their brain's primal powers alone to navigate using star constellations and the sun's position.

Play to your strengths. Swim with the current, not against it. Albert Einstein disdained convention and traditional learning, but was great at using mental images to solve abstract puzzles. He boldly decided to work by himself, turning over novel ideas in his head and challenging prevailing norms to develop the Theory of Relativity.

When we're learning a new skill (e.g. driving a car or plane), we must consciously think of the steps, as if our mind and body are disjointed. With repeated practice, you can

KEY QUOTES

"We embrace the natural complexity of life, making the brain expand to the dimensions of reality instead of shrinking it to the narrowest of specializations."

"Mastery is not a function of genius or talent. It is a function of time and intense focus applied to a particular field of knowledge."

"If there is any instrument you must fall in love with and fetishize, it is the human brain—the most miraculous, awe-inspiring, information-processing tool devised in the known universe."

"Know your strengths and move with them."

achieve mind-body integration to operate seamlessly. If you keep mastering new skills, you'll have layers of information at your fingertips that can be called up easily.

Leonardo da Vinci spent decades to observe, contemplate and create elements of nature until he could express the very essence of life in his artwork. View your work as being alive—absorb the details until you can capture the life force as an intrinsic part of your work.

Gain a bigger perspective, so you can think strategically beyond the present moment. Freddie Roach gained a holistic perspective of competitive boxing after years of experience as a boxer and apprentice trainer. He then helped his fighters to see the full picture of the fight and develop/practice holistic strategies.

To truly understand something, you must immerse yourself in it. If you research something from the outside, you unknowingly filter the data and analysis through your own assumptions. The only way to truly understand other people or cultures is to learn from the inside by experiencing their beliefs, values and perspectives.

Johann Wolfgang von Goethe first found fame as a writer in his 20s. But when he died at 83, he was revered as a genius—not only in literature but also in science, politics and history. His mastery was in the way he connected various topics after decades of deep observation and thinking. Draw from and connect knowledge from all fields to become a universal man/woman.

Conclusion and Other Details in the Book

Mastery is attainable by anyone who's willing to work for it. Listen to your inner voice, direct your focus to observe, think deeply and practice something repeatedly until it's intuitive to you. Then, keep building on that intuition to continually move to the next level.

KEY QUOTES

"Your path to mastery is to study and absorb these details…to the point at which you feel the life force and can express it effortlessly in your work."

"[Mastery] is a power and intelligence that must be continually renewed or it will die."

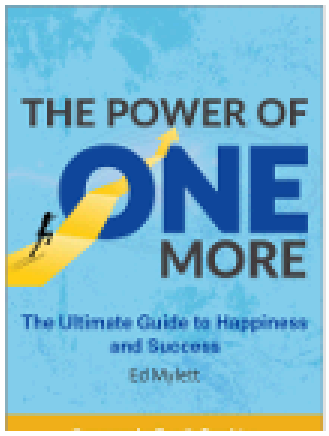
This is a voluminous book that includes many detailed stories and anecdotes of Masters from all walks of life, e.g. sports, architecture, anthropology, art, business and medicine. Greene presents each idea with specific examples, deep insights and nuances to help us understand what the journey to mastery entails.

About the Author

Robert Greene (born 1959) is an American author best known for his books on strategy, power and seduction Besides this book, he has also written several bestsellers including "The 48 Laws of Power", "The Art of Seduction", "The 33 Strategies of War" and "The 50th Law (with rapper 50 Cent)".

Greene attended the University of California, Berkeley, before finishing his degree at the University of Wisconsin-Madison with a B.A. in classical studies. Before becoming an author, Greene estimates that he worked 80 jobs, including as a construction worker, translator, magazine editor, and Hollywood movie writer.

KEY QUOTES



THE POWER OF ONE MORE

The Ultimate Guide to Happiness and Success

Ed Mylett

The Big "So What"

Small steps can unlock big breakthroughs. In this book, Ed Mylett shows how doing one more—one more try, one more habit, one more act of courage—can reshape your identity, mindset, and results to create lasting success.

Introduction

Extraordinary success isn't built on massive leaps, but on small, intentional decisions made consistently. Ed Mylett learned this through personal experience, from growing up with an alcoholic father to building a multimillion-dollar business.

- Drawing from his life, coaching work, and insights from peak performers, Mylett presents a simple yet powerful philosophy: *the Power of One More*. This approach combines mindset shifts, daily habits, leadership principles, and personal strategies to help you progressively level up—personally, professionally, and spiritually.

- In this summary, we'll break down *18 levers of transformation* that you can apply to raise your standards, sharpen your focus, and become the person you were meant to be.

KEY QUOTES

"The Power of One More teaches you to combine your gifts with directed, intentional thoughts and focused actions."

"You were not born to be average or ordinary. You were born to do something great with your life."

"You may be surprised how one more thought and one more action will change your life forever."

"One more thing is often all it takes. And frequently, it's only one more step away from where you are now."

Harness the Power of the One More Philosophy

One More Identity Shift

Your identity is how you see yourself—the collection of your deepest thoughts, beliefs, and expectations. Your identity acts like a thermostat that controls your life conditions, defines your self-worth, and silently controls your results in every area of life.

- For example, you might want $10 million, but if your thermostat says "I'm not worth that much," you will sub-consciously *self-sabotage*—blowing deals or over-spending until you're back at a level you believe you deserve.

- Your identity is often formed by childhood and life experiences. In other words, *it's not fixed and can be changed*, one action at a time. Every time you keep a promise to yourself—whether it's waking up early or following through on a task—you build self trust. As your self-image improves, so do your results.

You can't achieve 100 degrees of fitness, wealth, or love if your identity is stuck at 75 degrees. Raise your internal thermostat and upgrade your identity using 3 levers:

KEY QUOTES

"What we perceive about ourselves is what we believe about ourselves."

"They always say time changes things, but you actually have to change them yourself."
—Andy Warhol

"Are you willing to sacrifice who you are for who you could be?"

- *Faith*: Believe that you were created for more, and your life has purpose.
- *Intentions*: Set empowering statements each day, like "I'm here to serve, grow, and lead." Or, "I'm healthy, loving, and successful."
- *Associations*: Surround yourself with people who uplift you, and challenge you to grow.

One More Mental Filter

Your brain doesn't show you the world as it is; it shows you what it is trained to notice. The Reticular Activating System (RAS) is the mental filter in your brainstem. It sifts through billions of data points and only lets in what's important to you.

- *What you focus on gets amplified*. The RAS doesn't judge what's good or bad. It simply amplifies your beliefs and focus.
  - For example, once you decide to buy a white SUV, you suddenly start seeing white SUVs everywhere. The SUVs were always there, but now your RAS tags them as important.
- This explains the *confirmation bias* and how expectations of both success or failure can be self-fulfilling.
  - Once you install a belief (e.g. "I'm great at solving problems"), your RAS finds evidence to prove it. This creates a self-reinforcing loop: beliefs → attention → actions → results → stronger beliefs.

Your RAS learns what matters to you through the thoughts you repeat, the images you visualize, and the emotions you associate with them. To reprogram the RAS:

- Set a *clear goal*, e.g. "I want to lose 20 pounds in 6 months." Focus on what you want (e.g. "I want to be strong and healthy"), not what you don't want (e.g. "I don't want to be overweight").
- *Vividly visualize* what that looks, sounds, and feels like.
- *Repeat* daily with conviction and emotion, out loud or in writing.

KEY QUOTES

"Let faith move mountains in all parts of your life."

"Apply good intentions to all parts of your life, and then watch what happens."

"When you see a happy or financially successful family, understand that at some point in their history, they weren't happy or successful. That is, until...The One in that family changed the family tree forever."

"Put actions to these thoughts. It's not enough to mentally convince yourself. You can't wish your way to success."

"The stronger your beliefs, or the more emotionally charged an issue is to you, the stronger your confirmation bias and selective recall will be."

"Through repetition, your obsessions eventually become your possessions."

One More Attempt

Success is a numbers game. When you feel stuck or discouraged, don't give up. Just give it one more try.

- Success doesn't come from giant leaps, but from *consistent steps forward*. It's like learning to ride a bike—you might wobble and fall at first, but each attempt builds skill and confidence, until it clicks. What once seemed hard now becomes second nature.
- Ed Mylett compares success to hitting a piñata. *You might not see results initially* from the first few swings. But if you keep swinging, the piñata eventually bursts open and the reward spills out.
- Don't quit just before the breakthrough. In 1998, Mylett nearly quit when only 8 people showed up for his business presentation, but he decided to go all in and give it one more shot. That became the *turning point* of his career, eventually leading to millions in income and impact.

Small steps compound over time to create massive transformation.

- Persist with *focus and intention*. Know where you're headed, put in your best effort, and keep adjusting until you reach your goals.
- *Believe in your ability* to create change. As you push your limits, you learn and expand your capacity. You also develop a quiet confidence that you're going further than most people ever will.
- When you give your all and "*empty your tank*," you make space for new opportunities, beliefs, and identity.

One More Time Advantage

Time is your most limited resource. Master 5 powerful principle to bend and multiply time, control your schedule, compress work and expand results that matters.

KEY QUOTES

"You stack [wins] on top of each other to produce significant long-term changes in your life."

"Your greatest gains and successes happen when you push yourself to new places and new limits...our new level of capacity becomes your new norm."

"Most people give up. They don't do the work you're willing to do. So, they won't get the results you'll get."

"Empty your cup, so that it may be filled."
—Bruce Lee

"When the goal is further away, you jog toward that goal. When it's right in front of you, it's a sprint."

- Most people move slowly when the finish line feels far away. *Shrink your finish line to create urgency* and turn your long-term goals into short sprints.

- *Convert 1 day into 3 mini-days*. Split each day into three 6-hour blocks: morning (6am-12pm), afternoon (12pm-6pm), and evening (6pm-12am). Treat each time block as a full day to create urgency and focus, effectively giving you 21 days a week instead of 7.

- *Control time* rather than let it control you. Take charge of the first 30 minutes of your day to shape the entire trajectory. Avoid phones or external inputs. Use that time to align with your values, review your goals/priorities, and plan your day.

- What gets measured, improves. *Measure performance regularly* on a weekly, daily, or even hourly basis, so you can do course correction quickly and improve fast.

- You can't move forward if you're stuck in the past. *Focus on the future* and take action now toward your goals and dreams.

KEY QUOTES

"There is a direct correlation between how fast you'll run versus how close you are to the finish line."

"Your relationship to time can profoundly affect how far you go in life."

"Where performance is measured, performance improves."

One More Emotional Reset

We all live in an "emotional home", i.e. there's a pattern of dominant emotions we return to each day.

- Such emotional patterns *shape our decisions and quality of life*. Those who consistently experience love, joy, and peace enjoy better well-being (regardless of wealth or status) compared to those stuck in anger, anxiety, or guilt.

- We unknowingly *"hoard" harmful emotions*, e.g. if you're used to disappointment, you expect more of it. This leads to emotional clutter that clouds our judgment. We also *repress emotions*, which resurface in other forms (e.g. stress, illness, self-sabotage).

Emotions are neither good nor bad. They can help us to make sense of what's happening inside/around us. Even fear, guilt, and anxiety can be harnessed for motivation or protection. The goal isn't to avoid negative emotions, but to manage them intentionally so they don't define your life.

"Your mind always seeks out what is familiar because there is a level of comfort, even when the familiar works against you."

"Hoarding emotions dulls your ability to distinguish between reality and what you perceive to be reality."

"Too much of any emotion, perceived as either good or bad, doesn't serve you well."

- Be honest about what you're feeling and why, e.g. you might buy flowers to feel love, or chase promotions to feel pride. By *naming the emotions driving your actions*, you can pursue goals with clarity instead of compulsion.

- *Remove emotional clutter* to make space for better feelings. Clear out resentment, guilt, or shame so they don't dominate your life.

- *Choose your dominant emotions intentionally*. Ask yourself: What 5-6 emotions do I want to experience every day? Commit to those emotions (e.g. joy, peace, gratitude), so your brain's RAS can start finding ways to create those feelings.

- Use *daily practices* to reinforce the desired emotions:

  (i) Meditate to clear mental clutter and set emotional intent.

  (ii) Balance work with rest, restoration and self-care.

  (iii) Identify and manage triggers that spark stress, anger or other destructive emotions.

  (iv) Consciously shift your focus from unhelpful emotions to supportive ones (e.g. shift from insecurity to gratitude).

One More Positive Connection

The people around you—family, teachers, friends, and colleagues—shape how you think, act, and grow. Some lift you up while others hold you back.

- Think of your relationships like a *bullseye with three rings*:

  (i) The *outer circle* includes strangers or acquaintances.

  (ii) The *middle circles* includes casual friends and colleagues.

  (iii) The *inner circle* includes the 2–5 people closest to you.

  (iv) You are the *bull's eye*. Those closest to you have the greatest impact on your identity, habits, and outcomes—and vice versa.

To raise your standards, you must refine your associations, especially your inner circle.

KEY QUOTES

"People are intentional about their actions, but rarely do we spend enough time thinking about the emotions attached to those actions."

"Once you learn to identify your emotions, they begin to loosen their grip on you."

"Honesty is the springboard from which every emotion emanates. Intentionality is the muscle you need to get you to those honest emotions."

"Like it or not, you are the sum of your relationships, and you are judged for it."

"To succeed in life, your peer group's standards must align with your own."

"You will never outperform your inner circle."
—John Wooden

"The people you allow into your inner circle are among the most important choices of your life. Choose wisely."

- Make sure the *2-5 people you spend the most time with* have things you want in your life (e.g. health, wealth, peace, or emotional strength).

- Sometimes, you must *distance yourself* from people who no longer support your growth—even if you love them.

- If you can't fully disconnect from certain people (e.g. family), then *raise your standards* to influence them positively. Don't let them lower your standards.

One More Dream Ignited

As children, we dream and imagine freely. But as adults, we often stop dreaming—held back by fear, regret, or the weight of past failures.

- When you stop imagining a better future, you stop moving forward. You get *stuck in survival mode*, constantly worrying about failing, looking foolish, or losing what you already have.

To live your best life, you must dream boldly, think freely, and act intentionally. Stop operating from memory, and start operating from vision and imagination.

- *Let go of the past* to create space for new possibilities. Imagine emptying your mental glass of old stories and painful scripts, then refilling it with new relationships, adventures, and dreams.

- *Give yourself permission to dream*. Drop unhelpful mental scripts like "I'm too old" or "It's too late."

- *Use your imagination intentionally*. Daydream to reconnect with your inner child, visualize your dream life, then take real steps to turn imagination into reality. When you reconnect with your dreams, you change your emotional state to attract people, ideas, and opportunities that match the future you see.

KEY QUOTES

"People ease in and out of our lives all the time. Everything has an expiration date."

"Go confidently in the direction of your dreams. Live the life you imagined."
—Henry David Thoreau

"The happiest people in life operate out of their imaginations and dreams, and not their histories."

"Dreaming is free...[but] a lack of dreaming will cost you everything."

"I use memories, but I will not allow memories to use me."
—Deepak Chopra

One More Good Question

The questions you ask shape your mindset and outcomes. To live fully and grow, ask better, braver, and more empowering questions.

- Stop asking *disempowering questions* like "What if I fail?" or "Why can't I get this right?"
- Use *bold, future-focused, empowering questions* to focus your brain on what matters, uncover truths and unlock possibilities. Better questions lead to better answers, better results, and better quality of your life. For example:

  (i) What's one more thing I can do to support my team or family?

  (ii) What's one more thing I can let go of that's holding me back?

  (iii) What's one more way I can bring peace, gratitude, or energy into my day?

- Each question plants a seed in your mind. You won't always have an immediate answer, and this could point to potential areas for growth. Just *sit with the questions* and let them challenge you, like peeling an onion layer by layer.

One More Goal That Matters

Real goals aren't just tasks or checklists. They energize you and turn inner desires into outward momentum. The right goals activate your brain, shape your focus, direct your actions, and pull in people and opportunities aligned with your vision.

There's no perfect goals system for everybody. Design a simple, flexible system that suits you. Some rules of thumb include:

- *Set goals in a peak state*—not when you're feeling discouraged or distracted.
- *Tie each goal to a compelling reason* that truly drives you. Ask yourself: Why does this matter? What's at stake if I don't follow through?

KEY QUOTES

"The unexamined life isn't worth living."
—Socrates

"If you want to change the quality of your thoughts, you need to change the quality of the questions you ask."

"Better questions lead to better answers. Better answers lead to a better life."

"In many cases, to grow, the best answers will be the most difficult for you to address."

"I believe goals are energy. Goals are a life force. Goals are a state of being."

"The right way to approach setting your goals is to keep to a simple plan of attack."

- *Link short-term goals to long-term dreams*, so you can build momentum with small wins that cumulatively move you toward something bigger and even life-changing. Figure out the required skills/resources, but don't complicate things by splitting them into sub-categories (like finance, health etc.)

- *Reinforce your goals daily*, using reminders, visual cues, or written reflections to keep them front of mind and emotionally engaging. Create and review goals regularly (e.g. hourly, daily, weekly, monthly, yearly).

One More High Standard

Goals vs standards: Goals are the outcomes that you want, while standards are the behaviors and expectations that you accept. To achieve high goals, you need high standards.

- You may not always hit your goals, but *you'll always fall to the lowest standards you tolerate*—whether it's your effort, habits, or relationships.

- While you can't always control your outcomes, you can always control your standards. If you want to change your life, first *raise your standards*.

Here are **9 ways to activate higher standards** in your life:

- *Know your why*: Strong emotional reasons keep you going.

- Break standards into *clear, specific steps*, e.g. "I'll work out 4x a week and follow a lean meal plan."

- *Be realistic*: Build from where you are, not where you wish you were.

- *Get help where needed*, e.g. find mentors or accountability partners to stay on-track.

- *Use technology*: Record a goals video while you're in a peak state, then revisit it when you need a boost.

- *Match your standards* to the size of your goals.

- *Drop perfectionism*: Progress beats perfection every time.

KEY QUOTES

"When you create a single list, the only thing to keep in mind is whether you're creating a momentum-building goal or a stretch, life-altering goal."

"What you think leads to what you need. When you consciously access what you need, your mind sets about the business of making your goals a reality."

"Goals without standards are empty."

"If you want the best possible chance of reaching your goals, you need to adjust your standards, and reaching your goals will become almost automatic."

"If you're willing to tolerate something, that's probably what you're going to get."

"Be selfish when it comes to developing your standards. This is your journey...It's personal."

"Perfection is the lowest standard there is. And realistically, perfection doesn't exist."

- Plan ahead, but *don't overthink*. Just begin and adjust as you go.
- Focus on *your values*, not others' expectations.

One More Impossible Thought

To live an extraordinary life, you have to think bigger and act bolder than what feels comfortable or realistic.

- Dare to imagine what others consider "impossible", then act as if these are already within reach. The *intensity of your actions* must match the size of your goals.
- Align your thoughts, words, and behavior. *Close the gap between what you say and what you do*. Build belief and conviction in your dream, then take action like it's possible—even if you feel uncertain or afraid.

One More Habit Installed

Habits shape your life far more than motivation. That's because habits are automatic—they run in the background, influencing your behavior without conscious thought.

- Habits follow a predictable loop: *Trigger → Action → Prize*. To create lasting change, you must rewire this loop:
  - (i) Trigger: Every habit starts with a trigger or a cue (e.g. sitting on the couch after work);
  - (ii) Action: The cue triggers a behavior (e.g. grabbing a bag of chips);
  - (iii) Prize: The behavior delivers a reward (e.g. dopamine hit from the chips) which reinforces the habit.
- To replace old habits with new ones, you can *change any of the 3 elements* until it becomes your new default loop.
  - (i) Replace the trigger, e.g. take an evening walk instead of sitting at the couch.

KEY QUOTES

"Thinking is good. Overthinking is bad!"

"Unless you put actions to those thoughts, you're not going anywhere in life."

"You must be willing to dream big, take a chance, set your barriers aside, and do it anyway."

"Alignment occurs when your thoughts manifest themselves in the actions you take."

"Motivation and inspiration come and go. But rituals and habits are constant."

"Getting fired up about living your life well each day is important but nowhere near as important as having good habits."

"A habit cannot be tossed out the window; it must be coaxed down the stairs a step at a time."
—Mark Twain

(ii) Upgrade the action, e.g. replace the chips with herbal tea.

(iii) Attach a better prize, e.g. watch your favorite show only after you consume tea instead of chips.

It usually takes about 30 days of consistent action to install a new habit, but the effort pays off. Keep building better habits that support your goals and values—whether it's eating clean, sleeping better, nurturing your faith, or spending time with loved ones.

One More Team Multiplier

A multiplier is someone who elevates everyone and everything around them. They don't just deliver results—they inject belief, synergy, and momentum that lift the entire team, making the whole much greater than the sum of its parts.

- Take *Tom Brady*, for example. When he joined the Tampa Bay Buccaneers in 2020, the team hadn't made the playoffs in over a decade. But within a year, they won the Super Bowl. That was possible because Brady brought more than skill; he also brought urgency, discipline, and belief. He changed how the team trained, communicated, and thought, and he attracted other elite players onto the team.
- It's not just about talent, but having the *team chemistry* and the right mix of people that bring out the best in one another.

Leaders can help multipliers to thrive by creating the right environment:

- *Show the big picture* so they can see how their work matters and how they can contribute meaningfully beyond their role.
- Create *opportunities for them to lead*, share ideas and influence outcomes naturally.
- Give them *freedom to execute*. If possible, pair them with mentees who can grow alongside them.
- Free them from low-value tasks so they can *focus on what they do best*. Challenge them with ambitious goals and meaningful work.

KEY QUOTES

"When you look for One More opportunities to create new habits, you'll find a clear path to a more blissful life."

"Don't fear change. When you accept your new reality, the most amazing things can happen."

"Great team chemistry produces a multiplier effect. Bad team chemistry will burn your efforts down to the ground."

"Greatness can exist on its own... But smart people know the absolute best results don't happen when greatness exists in a one-person vacuum."

"There is strength in numbers and a common purpose."

"Strategically place your One More multipliers in the places where they'll be the happiest and most productive. And then leave them alone."

- *Equip them* with the tools, support, and feedback to perform at their peak.

One More Discomfort

To achieve something meaningful, you must be willing to do what's inconvenient, uncomfortable, or unpopular. This could mean waking up earlier, learning something new, having hard conversations, or pushing through fear, doubt, or fatigue.

- Anything truly worthwhile—whether it's building a business, improving your health, or deepening a relationship—requires *effort, inconvenience, and sacrifice*.
- Hard-earned victories are more fulfilling. They stretch you, develop your strength, your skills, and your resilience. Ask yourself: What kind of life do I want? What discomfort am I willing to endure to earn it? Then, *embrace it* as part of personal growth and building a life worth living.

One More Level of Leadership

Everyone is a leader in some capacity—whether you're guiding a team, supporting your family, or leading yourself. Great leaders help others to do more than they believed they could.

- Great leadership is about *service, inspiration, and impact*. Before you can lead others, you must first lead yourself. That means staying aligned with your values, showing up consistently, and setting the standard through your actions.

Here are several core leadership principles that apply across different roles:

- *Cast a big vision*. Share a dream that's large enough to include the dreams of those you lead. Let people see how they fit into something bigger, and infect them with your energy and belief. Clearly define what you stand for, and what you stand against.
- *Recognize unique gifts*. Every person has strengths. Identify them, nurture them, connect them to the team's mission, and bring out the best in the entire team.

KEY QUOTES

"Convenience and greatness cannot co-exist. They are diametrically opposed forces."

"Paying the price of inconvenience is no guarantee you'll succeed. But if you don't inconvenience yourself and confront the difficult things in front of you, you'll have no chance at ending up where you want to be in life."

"The test of an organization is... its capacity to make common people achieve uncommon performance."
—Peter F. Drucker

"The best leaders enroll others in their cause. They are evangelists for their dreams."

"As a leader, if you identify these unique gifts in people, you can lead them in a way nobody else can."

- *Praise generously*—both publicly and privately. Celebrate not just results, but also effort, behaviors and consistency that lead to long-term success.

- *Equip people for success*. This includes tools, training, and emotional support, which address 6 key human needs:

  (i) Certainty: The need for stability and predictability.

  (ii) Variety: The need for stimulation and change.

  (iii) Love/Connection: The need to feel cared for and part of something bigger than themselves.

  (iv) Significance: The need to feel important and valued.

  (v) Growth: The need for learning and personal growth.

  (vi) Contribution: The need to give beyond oneself and positively impact others.

- *Lead by example, with heart*. Role-model the standard you expect from others. Believe in and care for people sincerely.

- *Develop new leaders* to lighten your load, strengthen the team, and create a culture of growth so people can own the dream and carry the torch without you.

- *Reinforce key messages* and values to embed them in the culture.

- Admit your flaws and mistakes, and *stay grounded and authentic*.

One More Inner Anchor

To lead a grounded, fulfilled life, you need equanimity—the ability to stay calm, centered, and balanced—especially when life gets chaotic.

- Equanimity is that *quiet strength* you lean on when things don't go as planned. It helps you to manage emotions, make wise decisions, and maintain perspective in the face of stress or setbacks. You'll inevitably face disappointments, failure and loss in life. But, you don't have to be defined by them.

KEY QUOTES

"There are too few leaders in the world today who sell a big enough dream...that captures the hearts, desires, and emotions of everyone they lead."

"The number one job of a leader is to develop new leaders."

"Leadership is not about saying new things to old people, it's about saying old things to new people."

"Between stimulus and response, there is a space. In that space is our power to choose our response. In our response lies our growth and our freedom."
—Victor E. Frankl

Equanimity appears in many faiths and philosophies, from Christianity to Islam, Buddhism and Stoicism. It's also the foundation to all other "One More" principles above. To cultivate equanimity:

- Start with *self-awareness*. Notice your thoughts and emotional patterns without reacting automatically to them.
- *Don't over-identify with pain*. See problems in perspective: you are much more than your worst day or a past mistake.
- *Accept reality as it is*, not as you wish it to be. Let go of the need to control every outcome, release attachments to specific results, and accept that nothing lasts forever.

One More Level of Faith

Faith and prayer are powerful tools for growth, inner peace, and resilience. Faith is what you believe, while prayer is how you act on that belief.

- Ed Mylett's Christian faith has brought him strength, peace and confidence. But this principle applies to anyone—regardless of religion—because it's about the life-changing impact of *believing in something deeply*. When you focus your thoughts and intentions on something positive—like health, love, or success—you're engaging in a form of prayer.
- Faith isn't just spiritual, but also *energetic and scientific*. Science shows that everything, including thoughts and emotions, is made of energy. And, energy is always moving, transforming, and influencing what's around it. So when you pray or speak with conviction, you're releasing that energy into the world, shaping your environment and affecting people and outcomes.

Faith helps you to trust what you cannot yet see. Whatever your beliefs, use faith and prayer intentionally to anchor yourself in meaning and gratitude, and take bold action even with uncertainty.

- *Make prayer a daily habit* to strengthen your sense of purpose and belief. Don't pray for harm, revenge, or anything that goes against love and integrity.

KEY QUOTES

"Equanimity is about finding serenity as you battle the challenges in your life."

"If you let go a little, you'll have a little peace. If you let go a lot, you'll have a lot of peace. If you let go completely, you'll have complete peace."
—Ajahn Chah

"Consciously and subconsciously, you pray more than you realize. You may not always view it as prayer, but your mind's natural tendency is to think about what you want in life. You see them as desires, but in reality, desires are a form of prayer.

"There is an energy that attracts certain things to your life and an energy that also repels things away from you as well...having a good understanding of this concept will serve you well in your life."

"Every area of our lives, especially faith, depends on stepping into the unknown to some degree or another."

- In times of *doubt or tragedy*, draw strength and motivation from your faith, to take action despite uncertainty.

One More Final Chance

Life is finite. We don't know how many chances we'll get, so choose to live each day with urgency and purpose—to connect, live, love, forgive, and contribute—before it's too late.

- Ed Mylett learned this from his father, who struggled with alcoholism for many years. Everything changed when he was given an ultimatum by his wife: change or lose the family. His father chose sobriety and stuck to that decision, one day at a time. One more day of staying clean. One more chance to do the right thing. One more opportunity to serve others. That mindset changed his life—and the lives of many others he mentored.

Make the most of each day and moment like it's your last.

- Ask yourself: How would you show up *if this was your final chance* to love, speak, lead, appreciate, or forgive? Live with urgency and make it count.

- *Start each day afresh*. Every morning, tell yourself: "Today I am reborn." Let go of past failure, guilt, or resentment. Choose to focus on what truly matter now.

- Remember: *it's never too late* to start showing up differently. Whether you're struggling, disconnected, or at rock bottom, just hang on for one more day. Use that time to take one more step, offer one more hug, or extend one more act of grace. Then do it again tomorrow, one more day at a time—because that's all it takes to change your life's trajectory and rewrite your story.

Conclusion and Other Details in the Book

The "One More" philosophy is a powerful one that can transform your identity, habits, relationships, goals, and leadership. All it takes is one more try, one day at a time. This book includes many other

KEY QUOTES

"Wasted time is one of the biggest crimes you can commit against yourself."

"You can't control the end, but you can control the story in between."

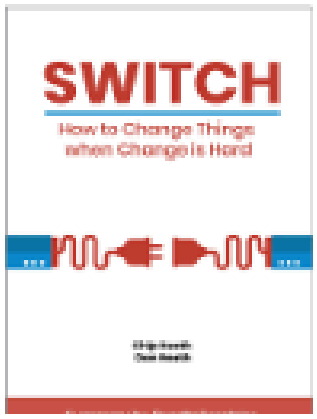
"In your darkest and most challenging times, I know many of you think about quitting and giving up. When those thoughts occur to you, just hold on for One More day."

anecdotes and examples to illustrate the principles and how you can start turning small actions into extra-ordinary results. For more information, visit www.edmylett.com.

About the Author

Ed Mylett is a peak performance expert, speaker, entrepreneur, and author recognized for coaching elite performers from professional athletes to Fortune 500 executives. After building his wealth and leadership experience in financial services, he became a sought-after mentor and podcast host, blending personal growth strategies with high-performance principles.

KEY QUOTES



SWITCH

How to Change Things when Change is Hard

Chip Heath & Dan Heath

The Big "So What"

Making lasting change in our companies, communities and our own can be hard, because of inherent conflict in our minds. This book shows us a 3-part framework that can help us to achieve desired change-at individual, organizational and societal levels–with significant results.

3 Surprises about Change

Change is like trying to get an elephant (with all its inertia) to travel down a new path. To succeed, there are 3 ingredients–the "Rider", the "Elephant" and the "Path"–which must be addressed. These are built on 3 insights about change.

1. What looks like resistance is often a lack of clarity.

Often, people don't change not because they resist it, but they are unsure how to change. For example, "eat heathy" is vague but "go for the 1%-fat milk instead of whole milk" is specific.

To get people to change, give crystal-clear direction.

2. What looks like laziness is often exhaustion.

Our minds are ruled by 2 different and often-conflicting systems- the rational mind (our reflective or conscious system that deliberates, analyzes and plans ahead) and the emotional mind (our instinctive part that feels pain and pleasure).

KEY QUOTES

"This is a book to help you change things. We consider change at every level – individual, organizational, and societal."

"The basic three-part framework we...unpack in this book...can guide you in any situation where you need to change behaviour."

When the 2 systems are in conflict, the emotional mind tends to take over, and it takes a lot of self-control for the rational mind to stay in charge. Self-control or willpower is an exhaustible resource. Each time we try to change things, we are going against what is automatic for us, and this takes willpower. When our self-control is exhausted, we give up.

To change things, appeal to both the rational and emotional minds.

3. What looks like a people problem is often a situation problem.

How do we get people to eat less? Often, we assume that the amount of food people consume has to do with their lifestyle, habits, knowledge about food etc. Yet, according to a study in 2000, people with bigger containers simply ate more food, which means, the key to helping people to eat less can be as simple as giving them smaller containers.

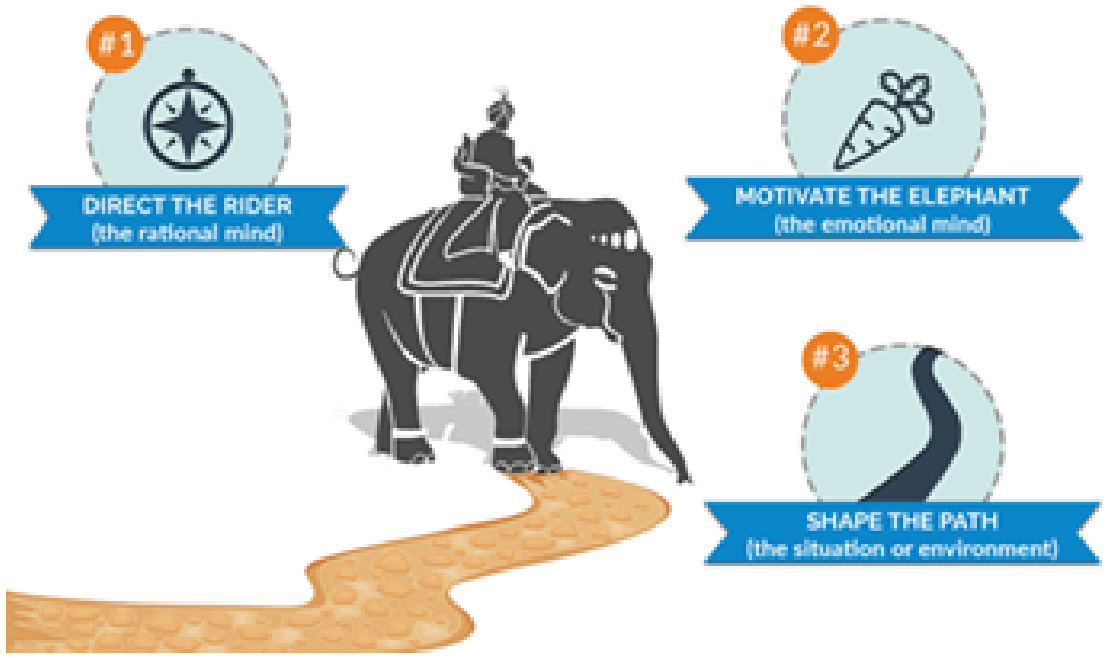
To change someone's behaviour, change that person's situation.

The Rider and the Elephant

Throughout the book, the Heath brothers use the analogy of the "Rider" and "Elephant", by psychologist Jonathan Haidt. The Rider represents our rational side trying to control the massive Elephant which represents our emotional side. The Rider may appear to be in control, but whenever the Rider and Elephant cannot agree on where to go, the Rider eventually loses.

KEY QUOTES

The key to change is to address all 3 elements: The Rider, The Elephant and the Path.



Direct the Rider

The Rider part of our mind has great strengths and an important role to play–it's a thinker, planner, and helps us to chart the path for the future. However, its key weakness is its tendency to over-analyze problems. Hence, the best way for change to take place is to direct the rider. Show him (not just tell him) exactly where to go and what needs to be done.

Find the Bright Spots

Big problems often come with numerous and seemingly overwhelming challenges. Rather than analyze all of them, the best place to start is to look for and focus on exceptions to the problem, i.e. for the first hint of possible miracles. These bright spots can give us an action plan. In short, find the bright spots, analyze them to define the solutions, then clone them.

In tackling the rampant malnourishment issue in Vietnam in the 1990s, Jerry Sternin zoomed in on "bright spot mothers" who managed to raise healthy kids despite the challenging conditions. He looked for small deviations in what they did, and discovered that these mother achieved results through simple cooking and feeding habits that could be emulated by any of the locals. By organizing small community cooking groups where families could come together to practice the solutions, he tackled the Rider, Elephant and Path at the same time.

KEY QUOTES

"The Rider's capacity for analysis is endless. Even success can look like problems to an overactive Rider."

"To make progress on a change, you need ways to direct the Rider. Show him where to go, how to act, what destination to pursue."

"These flashes of success – these bright spots – can illuminate the road map for action and spark the hope that change is possible."

Society generally has a "bad is stronger than good" bias. Of the 24 most common "emotion" words in English, only 6 of them are positive. The newspapers are also full of sensational bad news. To motivate change, we need to shift our Rider from a problem-focus to a solution-focus. Using bright spots help us to do so because they show what's possible.

Script the Critical Moves

When we have more choices and options, we tend to feel overloaded, leading to decision-paralysis. Because change brings new choices, it creates uncertainty and indecision. When faced with decision-paralysis, people stick to the status quo by default.

Hence, in circumstances of change, it is not enough for leaders to set high-level direction. They need to translate ambiguous goals and a broad change idea into concrete and specific behaviors i.e. to script the critical moves.

Point to the Destination

In creating change, it helps to give people a "destination postcard" which shows a vivid picture of what is possible in the near future. This gives a clear idea of where we are heading, taps into feelings that inspire us, and shifts the Rider's focus from over-analysis to answering the question "how do I get to the destination?".

An effective destination postcard should:
1. **Be both specific and worthwhile**
2. **Be aligned with the short-term critical moves**

Motivate the Elephant

Find the Feeling

Often, we assume that people resist change because they don't understand the need for it, hence we instinctively try to teach them or share more information.

Change is not about understanding, but about feeling.

KEY QUOTES

"More options, even good ones, can freeze us and make us retreat to the default plan...This behaviour is not rational, but it is human."

"Big-picture, hands-off leadership isn't likely to work in a change situation, because the hardest part of change – the paralyzing part – is precisely in the details."

"In creating change...we're interested in goals that are closer at hand...We want a goal that can be tackled in months or years, not decades."

"Trying to fight inertia and indifference with analytical arguments is like tossing a fire extinguisher to someone who's drowning. The solution doesn't match the problem."

See-Feel-Change. When it comes to changes, the correct sequence is See-Feel-Change, not Analyze-Think-Change (Kotter & Cohen). Changes bring uncertainty; with so many new variables and new information, people won't think themselves into change. Rather, people change when they see things that cause them to feel for the outcomes that the changes can bring.

The fallacy of self-evaluation. Even if we are presented with all the facts, our evaluation of the situation or ourselves will be inaccurate because our self-evaluation is emotionally biased. We tend to be overly optimistic about where we are at and how we are doing, and these positive illusions hinder our ability to orientate clearly.

Negative vs positive feelings. Negative feelings (e.g. anger, fear, dismay) can be used to motivate quick and specific action. People will usually make a leap when they feel that their circumstances are so dire they have no choice but to do so. However, such negative feelings tend to have a "narrowing effect" on our thoughts. On the other hand, the positive emotion of interest can bring about a different type of change, built on creativity, inspiration and flexibility.

KEY QUOTES

"Change is not one of understanding but one of feeling."

"One reason we're able to believe that we're better-than-average leaders and drivers and spouses and team players is that we're defining those terms in ways that flatter us."

"When we are interested, we want to get involved, to learn new things, to tackle new experiences. We become more open to new ideas."

Shrink the Change

Don't start at the starting line. People are more motivated to be involved in a longer journey that's partially finished, than a shorter journey that's just starting. Motivate action by helping people to feel that they are already on the way to the finish line.

For example, if you want customers to buy 8 additional car washes to get a reward, give them a 10-slot card with 2 "bonus" stamps. This will be more effective than giving them an empty 8-slot card. Make an effort to remind people what's already been achieved, rather than focus solely on what's new and different about the upcoming changes.

"To motivate action...make people feel as though they're already closer to the finish line than they might have thought."

Engineer early success. Break down a daunting task into small parts that are so easy that people can't help but score a victory, i.e. create small wins at an individual level. Once people start on the path, make their progress (however small) visible. This gives people hope, and demystifies the journey.

With each successful step, people will feel the change more, and the change seems progressively smaller compared to their own growth.

Grow Your People

People with fixed mindsets believe that their abilities and potential are fixed based on who they are. People with growth mindsets believe that abilities can be built up with practice, much like muscles, and there's no limit to what they can learn.

Successful change requires people to have a growth mindset. They understand that "failures" are the best way to learn, and they remain flexible and adaptable in face of changing circumstances and new information. During times of change, it is important to constantly remind people that our abilities can be strengthened with practice.

Shape the Path

Most of us are prone to the "fundamental attribution error", i.e. we tend to blame the person and discount the environment. For example, if a driver were to cut into our path, we are more likely to conclude that he/she is a rude or reckless driver, than to consider if he/she is facing an unusual emergency.

How we behave is systematically shaped by the environment or situations we are in. To get people to change, we can provide clear direction, provide motivation and determination, or simply give an easier path or a simpler journey to make.

Tweak the environment

To minimise an undesired outcome (e.g. injury from drunk driving), you can use pre-event intervention (e.g. penalties against drunk driving), event intervention (e.g. seat belts and air bags), and/or post-event interventions (e.g. emergency medical teams).

However, the most effective way to eliminate undesired behaviour is to make that behaviour impossible, e.g. removing unhealthy snacks from the house altogether, or shifting the furniture in a room to change how people interact. Small tweaks in the environment can make a huge difference in shaping behaviours.

KEY QUOTES

"When you engineer early success, what you're really doing is engineering hope. Hope is precious to a change effort. It's Elephant fuel."

"Small targets lead to small victories, and small victories can often trigger a positive spiral of behaviour."

"Failing is often the best way to learn, and because of that, early failure is a kind of necessary investment."

"You know you've got a smart solution when everyone hates it and it still works – and in fact works so well that people's hate turns to enthusiasm."

"Simple tweaks to the Path can lead to dramatic changes in behaviour."

Build habits

Habits are our behavioural autopilots. When we are acting according to our habitual practices, we don't need to exercise or "waste" any willpower. Forming the right habits make our actions seem effortless.

Action triggers are useful for forming new habits quickly e.g. "I will go to the gym after I send Ann to school". By imagining a time and place when we will do something, it has the effect of "preloading" a decision, so we are effectively forming an "instant habit". There's no need to consciously exercise willpower to recommit to our decision or motivate ourselves to do what we should.

Habits that support changes should:
1. Advance the mission
2. Be easy to embrace

Ask yourself: "How can I set up a situation that brings out the good or desired behaviours in these people?" Use checklists to show people what/how to do things, and to avoid blind spots and overconfidence.

Rally the herd

When people feel unsure about what to do, they look to others for cues about how to behave. Hence, groups tend to respond more poorly than individuals, and we tend to subconsciously imitate others' behaviors.

For successful social change, create "free spaces", i.e. small-scale meetings where reformers can gather freely away from the pressures of the dominant groups. This allows them to explore/learn freely, develop a new identity, and prepare themselves for future collective action.

Keep the Switch Going

Change is a process that takes place over time. The secret to successful change is to reinforce each step of the process. It is easier to spot problems than progress, hence noticing and reinforcing progress takes effort.

KEY QUOTES

"When you're leading an Elephant on an unfamiliar path, chances are it's going to follow the herd."

"Change isn't an event; it's a process...To lead a process requires persistence."

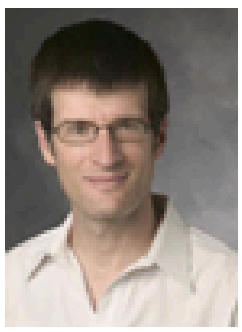
"When change happens, it tends to follow a pattern. We've got to stop ignoring that pattern and start embracing it."

Other Useful Details in the Book to Look Out For

The Heath brothers help to bring their points to life with numerous examples of past research and studies, real-life stories and illustrations, including health and personal change, business turnaround and sales initiatives, government and conservation efforts, social change and family relationships etc.

The book includes sections called "Clinics", to help us think about how to apply the Switch framework, using real-world situations and suggestions on possible game plans. The Heath brothers also list 12 common problems to change and suggest how to tackle them.

About the Authors of Switch



Chip Heath is a professor at Stanford Graduate School of Business, focusing on courses about business strategy and organizations.

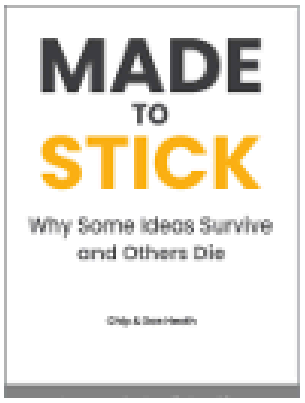
He has consulted with clients such as Google, Gap and The Nature Conservancy.

Dan Heath is a Senior Fellow at Duke University's CASE center, which supports social entrepreneurs. He previously worked as a researcher and case writer for Harvard Business School. In 1997, Dan co-founded an innovative publishing company called Thinkwell, which continues to produce a radically reinvented line of college textbooks. Dan has an MBA from Harvard Business School and a BA from the Plan II Honors Program from the University of Texas at Austin.

Besides this book, the Heath brothers have also co-authored Made to Stick: Why Some ideas Survive and Others Die and Decisive: How to Make Better Decisions in Life and Work. Their books have been translated into 28 languages todate.

For more details, including free resources, you can go to their official website at http://heathbrothers.com/.

KEY QUOTES



MADE TO STICK

Why Some Ideas Survive and Others Die

Chip & Dan Heath

The Big "So What"

Based on 10 years of study, the book answers the question "why do some ideas succeed while others die", and provides a practical and systematic way to create ideas that are understood, remembered, and have a long-term impact.

Introduction

A sticky idea is one that is understandable, memorable, and actually changes perspectives or behaviours. Not all ideas are "stick-worthy", though it is possible to systematically create sticky ideas, or to learn to spot ideas with potential. After studying a wide range of ideas and how they are communicated, the Heath Brothers identified 6 principles (SUCCESs) that can be applied as a template or checklist to shape or test any idea for stickiness. The book also addresses barriers to application and how to overcome them with the SUCCESs principles:

Simple : Find the core of our ideas
Unexpected : Get audience's attention, sustain their interest
Concrete : Make the message clear
Credible : Make people believe our ideas
Emotional : Make people care
Stories : Get people to act

1 Simplicity: Finding the Core

Simplicity is not just about using fewer words, shorter phrases or sound bites. It is about:

- Finding the essential core of our ideas; and
- Sharing it in a form of a compact idea

KEY QUOTES

"We wrote this book to help you make your ideas stick. By "stick" we mean that your ideas are understood and remembered, and have a lasting impact – they change your audience's opinions or behaviours."

"As we pored over hundreds of sticky ideas, we saw, over and over, the same six principles at work"

"The SUCCESs checklist is intended to be a deeply practical tool…It requires diligence and it requires awareness."

Simplicity

"To strip an idea down to its core, we must be masters of exclusion. We must relentless prioritize."

Simple = CORE + COMPACT

For an idea to be compact, there must be a lot of meaning packed into a succinct message, i.e. "a one-sentence statement so profound that an individual could spend a life-time learning to follow it", thereby making an enduring impact, e.g. the proverb "Do unto others as you would have them do unto you."

To create compact communications:

- **Use flags** to tap into existing schemas of your audience
  Schemas are a collection of properties related to a concept, category or object. When we help our audience to tap into their memory terrain or schema of an object (e.g. the colour, size, taste associated with a "grapefruit"), we can teach them an idea without listing all the attributes ourselves.

- **Create a high-concept pitch** to summarize your vision in 1 line
  Use analogies that your target audience understand to call up schemas then adapt it, e.g. "Its Jaws in space!" (Alien) or "We network networks." (Cisco).

- **Use generative analogy** that enrich your ideas
  Generative analogies not only brings understanding to a new concept, they become platforms for new ideas, perspectives, and creations, e.g. Disney using the concept of cast members to describe their employees.

In sharing your core, be careful not to bury the lead, i.e. don't start with something irrelevant but interesting. Instead, focus on making the core message more interesting.

2 Unexpectedness: Getting the Audience's Attention and Sustained Interest

There are 2 parts to this principle:

- Get Attention through the emotion of Surprise
- Keep Attention through the emotion of Interest

Getting attention

Humans adapt quickly and tune out to consistent patterns. Our brains are however alert to changes. Hence, the best way to get someone's attention is to break a pattern.

KEY QUOTES

"The Golden Rule : a one-sentence statement so profound that an individual could spend a lifetime learning to follow it".

"Compact ideas alone aren't valuable - only ideas with profound compactness are valuable. So, to make a profound idea compact, you've got to pack a lot of meaning into a little bit of messaging."

"People are tempted to tell you everything, with perfect accuracy, right up front, when they should be giving you just enough info to be useful, then a little more, then a little more".

Unexpectedness

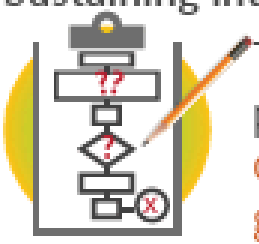
"Unexpectedness, in the service of core principles, can have surprising longevity."

We use our schemas to constantly guess and predict what will happen next and to make decisions. When our "guessing machines" fail, we are surprised, alert and focused on finding the answer to resolve why we are surprised. This is how you can create surprise:

- Identify the key message (the core) you wish to communicate
- Identify what is counterintuitive about the message, or what are the unexpected implications from this message
- Communicate your message in a way that breaks your audience's guessing machines, then help them to refine their machines.

When going for big surprises, be careful to avoid gimmickry. Make sure you help the audience to "fix" their machine at the end by connecting the surprise back to your core message.

Sustaining interest



To create sustained interest, we need to engage people's curiosity, over time, by systematically opening and filling their knowledge gaps. To generate ongoing curiosity:

- Create a mystery: Mysteries come from an unexpected journey (not a momentary surprise) – we want to solve the mystery but are not sure how exactly to do that. Progressively give people information so they start to focus on what they don't know. Give people enough context of the issue so they'd start to care.
- Use the gap theory. Before we tell people the facts, they must realize they need those facts, i.e. we must open gaps before we close them. To help overconfident people (who think they know everything) to recognize a knowledge gap, help them realize that others disagree with them. When creating knowledge gaps, ensure they are not so big that they seem insurmountable.
- Use the news-teaser approach: Ask "what questions do I want my audience to ask?" instead of "what information do I want to convey?" Tease the audience to ask the right question.

3 Concreteness: Making our Ideas Clear

Experts tend to get more abstract because they have so much knowledge, they tend to see the patterns and insights

KEY QUOTES

"The best way to get people's attention is to break their existing schemas directly."

"If you want your ideas to be stickier, you've got to break someone's guessing machine and then fix it."

"Unexpected ideas, by opening a knowledge gap, tease and flirt. They mark a big red X on something that needs to be discovered by does not necessarily tell you how to get there."

"Use the gap theory of curiosity to our advantage. A little bit of mystery goes a long way."

Concreteness

"Naturally sticky ideas are full of concrete images – icefilled bathtubs, apples with razors – because our brains are wired to remember concrete data... Speaking concretely is the only way to ensure that our idea will mean the same thing to everyone in our audience".

between details, rather than the concrete details per se. Abstract ideas are hard to understand and remember, and are open to different interpretation.

- To **help people understand and remember**, we must make our ideas clear and concrete. Give a concrete context and build on what our audience already know and can identify with. An idea is concrete when it brings up sensory information (feelings, smells, sounds etc.)

Our memory works like Velcro with thousands of tiny loops and hooks: build more hooks into the idea to help it stick better in our memory.

- To **help people to coordinate better**, we should create a "universal language" that everyone can speak fluently. When people have the same sensory interpretation of the idea or challenge, it creates a "shared turf" that they can feel comfortable working in together.

4 Credibility: Making People Believe our Ideas

People generally believe ideas under the influence of family, personal experiences, faith, or authorities. However we can also build credibility into our ideas.

External Sources of Credibility

Use authorities and anti-authorities as a great source of credibility – we believe them if they seem honest and trustworthy, with no vested interest to promote the message

Internal Sources of Credibility

Use these tips to build credibility inside the message itself:

- **Use convincing details**: When an idea comes with vivid details that are truthful, relevant to our audience and support our core idea, it makes the idea more tangible, real, and more believable.
- **Use statistics effectively**: Use statistics as inputs to make up your mind on an issue, then share these pivotal statistics to help the audience understand the underlying relationship. Don't make up your mind and look for statistics as outputs to support the claim.

KEY QUOTES

"Trying to teach an abstract principle without concrete foundations is like trying to start a house by building a roof in the air."

"The barrier is simply forgetfulness – we forget that we're slipping into abstractspeak. We forget that other people don't know what we know."

Credibility

"If we're trying to persuade a skeptical audience to believe a new message, the reality is that we're fighting and uphill battle against a lifetime of personal learning and social relationships."

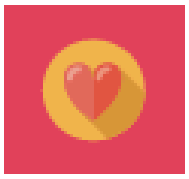
"It can be the honesty and trustworthiness of our sources, not their status, that allows them to act as authorities."

"We need to identify details that are compelling, human, meaningful – details that symbolize and support our core idea."

Apply the human-scale principle when presenting statistics: Use scenarios which people can easily simulate in their minds (e.g. throwing a ball across a football field). This provides scale and context to make the idea more credible.

- **The Sinatra Test**: If one example or testimonial alone can establish credibility in a specific domain, this example passes the Sinatra Test
- **Provide a "testable credential"**: Let customers test a claim or idea for themselves, or "test before they buy"

5 Emotions: Getting People to Care about our Idea



For people to take action, they first have to care. Generally:

- People tend to feel more for one individual than the masses. When a problem seems so big, people care less as they feel that their own contributions are meaningless.
- People feel less when they are presented with statistics, which shift them into an analytical frame of mind.

To make people care:

- **Use associations**: Form an association between something that people care about and something they don't yet care about (your idea). However, when everyone is tapping on the same things that people care about, avoid this turf and find new, unique associations.
- **Appeal to self-interest**: Directly address "what is in it for me" for your audience. The magnitude of the benefits is not always as important as the tangibility of the benefits – It may be adequate to demonstrate modest benefits that people can clearly imagine themselves enjoying.
- **Appeal to identity**: Besides addressing the lower levels of Maslow's hierarchy of needs (self-interest), appeal to the audience's identity and aspirational needs, including their personal and group identities, and who they aspire to become. Ask "why" to remind people of the core values and principles that underlie our ideas.

KEY QUOTES

"Statistics will, and should, almost always be used to illustrate a relationship. It's more important for people to remember the relationships than the number."

Emotions

"If I look at the mass, I will never act. If I look at the one, I will."
- Mother Teresa

"How can we make people care about our ideas? We get them to take off their Analytical Hats. We create empathy for specific individuals. We show how our ideas are associated with things that people already care about. We appeal to their self-interest, but we also appeal to their identities – not only to the people they are right now, but also to the people they would like to be."

6 Stories: Getting People to Act on our Ideas

Stories can be powerful in providing:

- Simulation (knowledge on how to act); and
- Inspiration (motivation to take action)

Simulation: Know how to act

Mentally rehearsing a scenario helps us to perform better in actual situations, because it evokes the same parts of the brain that are used in physical activity. Mental simulation provides as much as 2/3 of the benefits of actual physical practice, and can help us manage emotions, solve problems, and build skills.

When we listen to stories, we tend to simulate it in our heads. By creating stories in rich, comprehensive and life-like scenarios, we help our audience to simulate the idea mentally. This allows them to experience and rehearse the idea from the inside, preparing them to act. According to the Velcro concept, the more hooks we have in our stories, the better they will stick

Motivation : Energy to act

After studying many stories, the Heath brothers identified 3 key plots that motivate action:

The challenging plot: These stories are about overcoming challenges, e.g. include David vs Goliath stories, underdog stories, rags-to-riches stories, winning against the odds etc. They appeal to our sense of persistence, courage, and inspire us to work harder, face challenges and conquer obstacles.

The connection plot: These stories are about relationships among people, e.g. love stories, or people who bridge gaps in religion, class, class, religion etc. They inspire us to be more altruistic, more loving, more tolerant, more collaborative etc.

The creativity plot: These stories are about mental breakthroughs, innovative solutions, or cracking a tough puzzle. They inspire us to think differently, be more creative, and be more adventurous.

KEY QUOTES

Stories
"Stories have the amazing dual power to simulate and to inspire."

"Stories are like flight simulators for the brain."

Springboard stories (with visible goals and barriers) can be used to help people see possibilities. By shifting the audience into a problem-solving mode, we help them to solve the problems for themselves.

Using what Sticks

To get the message across effectively, the SUCCESs principles help you to achieve a few objectives, in 2 stages.

1) The Answer Stage

- Arrive at the idea you want to share → Simplicity

2) The Telling Others Stage

For an idea to stick, it must make the audience:

- Pay attention → Unexpectedness
- Understand and remember it → Concreteness
- Agree / believe → Credibility
- Care → Emotions
- Be able to act on it→ Stories

Making Strategy Stick

Strategy should guide behaviour and drive actions that are aligned with the company's goals, delivers competitive advantage and financial success. Unfortunately, most strategies are academic, and do not drive action. There are several barriers to be overcome:

Barrier 1: The Curse of Knowledge

Executives tend to talk about strategy in abstract. A good way to over come it is to tell stories that are vivid, concrete, and bring to life the company's competitive advantage in day-to-day, on-the-ground terms. Tell the stories in 2 parts - the story itself, and the moral of the story.

Barrier 2: Decision Paralysis

Decision paralysis can set in where there's too much choice (e.g. choosing between innovation vs efficiency) or ambiguity in the situation. Many strategies are not concrete enough for the typical employee to overcome decision paralysis. The solution is to find the core, and translate that into priorities for day-to-day application.

KEY QUOTES

"A strategy is, at its core, a guide to behaviour…A good strategy drives actions that differentiate the company and produce financial success."

"Sadly, there is a villain in our story. The villain is a natural psychological tendency that consistently confounds our ability to create ideas using these principles. Its called the Curse of knowledge".

"The strategy motto is a one-liner that brings clarity to an environment muddied with choices"

Barrier 3: Lack of a Common Language
Often, strategy is shared in an abstract way that employees find hard to communicate back to the leaders. When the strategy is clearly understood by everyone in the company, in the same way, then people can disagree or contribute constructively. To avoid having an inert strategy, build it into the way your organization talks – that way, it cannot be inert, and will in fact help to guide behaviour.

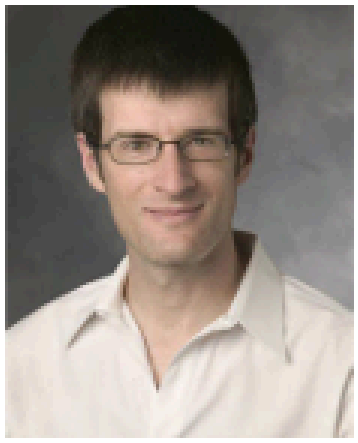
3 principles to making strategy stick:
1. Be concrete
2. Say something unexpected
3. Tell stories

Other Useful Details in the Book to Look Out For

The Heath brothers identified the SUCCESs principles after studying hundreds of case studies. Throughout the book, they share real-life, day-to-day examples that most of us can relate to e.g. urban legends, movies, proverbs and fables, airline flight safety announcements, education, department stores, etc.

They also outline numerous pivotal experiments that demonstrate how humans think and behave. The book also includes Idea Clinics that zoom into specific examples for the reader to model the process of making ideas stickier.

About the Author



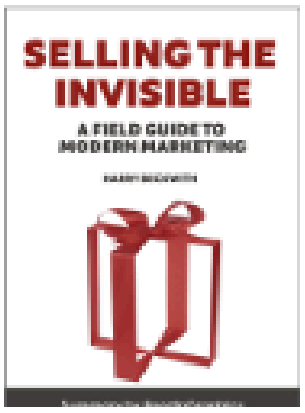
Chip Heath is a professor at Stanford Graduate School of Business, focusing on courses about business strategy and organizations. He has consulted with clients such as Google, Gap and The Nature Conservancy.

Dan Heath is a Senior Fellow at Duke University's CASE center, which supports social entrepreneurs.

KEY QUOTES

"A common strategic language allows everyone to contribute."

"This book is filled with normal people facing normal problems who did amazing things simply by applying these principles (even if they weren't aware that they were doing it)"



SELLING THE INVISIBLE

A Field Guide to Modern Marketing

by Harry Beckwith

The Big "So What"

Many companies, such as McDonalds, Federal Express, American Express, Levi's, are selling services, not products. Services are inherently more invisible than products, and call for a different sales and marketing approach. The book offers more than 100 tips and insights – for business owners, sales or marketing people - on how to sell services effectively.

Introduction

Services are more invisible and intangible than products. Unlike products - which you can touch, see, smell, and taste before purchasing - services (e.g. a haircut) must be purchased before customers get to experience it. It is also harder to put a warranty on a service.

Even if you sell a physical product (e.g. software or shoes), you are likely to be competing on service (through customization, delivery, support etc.). Effective services marketing is more about how you think than what you do.

Getting Started

Before you start marketing your service, **fix your service first.**

- We tend to think we are better than we are – it is better to assume your service is bad, so you force yourself to improve.
- Let your clients (not your industry/ego) set the standards. Don't benchmark within your industry; Benchmark against the best in class e.g. Disney.

KEY QUOTES

"Services are not products, and service marketing is not product marketing."

"This is not a how-to book...this is a how-to-think-about book."

If you're struggling to create a good ad for your service, it's a sign your service is weak and needs fixing.

Get the right focus:

- Always start at zero. Don't focus on "how can we sell this better?" Instead, ask "is this still what the customers want?".
- Sweat the small stuff - tiny actions can create massive impact (The Butterfly Effect).
- Even with outstanding service, mistakes and defects can happen. When they do, these present huge opportunities to win customers over with your service recovery.
- Don't just try to get better. Focus on doing things differently.

Understand the stages of service evolution - get to Stage 3:

- Stage 1: Acceptable standards. Companies offer a product that meets the minimum standards, and customers purchase it because it is the only option available.
- Stage 2: Differentiation. Competitors enter and differentiate themselves, with companies focusing on offering clients the desired products that meet their needs.
- Stage 3: Making the Leap. Most service companies stay in stages 1-2. Stage 3 is where breakthroughs happen - companies make a leap by surprising the customer with the "possible service" that goes beyond customers' expressed needs & expectations.

Surveying & Research

Why survey? People won't tell you what you are doing wrong – not even your best friends. The only way to find out is to ask.

Third party surveys: People may not give you direct feedback, but they will talk behind your back. For more accurate results, get a third party to do your surveys.

KEY QUOTES

"Don't just think better. Think different."

"Every service company must look at stage three; that is where glory, fame, and market share lie."

"Create the possible services; don't just create what the market needs or wants. Create what it would love."

"(A survey) tells you what business you are in, and what people really are buying."

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Choose oral surveys over written ones. They generally work better because:

- Words like "quality" mean different things to different people. Oral surveys allow you to clarify your questions and/or respondents' answers, to minimize interpretation errors.
- People generally say / share more orally than in writing.
- Better response rate: Only 40% of people respond to a written survey while almost 100% will respond to an oral one.
- A good oral interviewer makes a personal contact with the customer on your behalf.
- The respondent's voice can convey important feelings that written words won't.

Phone vs in-person surveys: People tend to reveal more over the phone than in-person, because they feel less exposed/more anonymous.

What to avoid:

- Asking the question "What don't you like?"
- Using focus groups: You are selling to individuals, so talk to people individually.

Marketing is not a department

Marketing is everyone's business: Everything that the company does is a marketing activity – from messages on the invoice to the receptionist answering a call. Make every employee and activity a part of your marketing efforts.

See the big picture

- Beware of marketing myopia – don't get so lost in daily tasks that you fail to see the broad scope of your businesses.
- Get out there: When people stay in their offices, they end up with a tunnel vision of what they see within the company. What they need to know (customers and prospects) are outside the office. Get out there, get in opportunity's way, and let it hit you.

KEY QUOTES

"For a dozen reasons, conduct oral surveys, not written ones."

"You're selling individually. Talk to individuals."

"Marketing is not a department. It is your business... Every act is a marketing act. Make every employee a marketing person."

"The fastest, cheapest, and best way to market your service is through your employees."

"Most executives are too busy ducking falling trees to see the forest."

- Ask "What am I good at?". When planning your marketing, think of your skills, not just what business you are in.

Services are about relationships

- What business are you really in? In the service industry, you're almost always selling a relationship or an experience, not a product or an expertise (e.g. Rolex isn't in the watch industry, it's in the luxury industry). What are your clients really buying?
- Who is your client? Before you try to satisfy the client, try to understand and satisfy him/her as a person. Know that people crave one thing above all else – appreciation.
- Who is your competitor? In services, your true competitors are often your potential customers, because they can choose to do things themselves, or do nothing at all.
- Success in service marketing is like surviving in high school – talent isn't enough; you must be likeable and popular. To win in the service industry, professionalism isn't enough. You need to be personable.

Adaptation & breakthrough

- Go where others aren't. Rather than fight head-on with competition, serve markets that competitors aren't serving.
- Include technology in your marketing plan.
  1. Have a technology director to identify new technologies that present risks and opportunities for your business.
  2. Ask if you are positioning yourself to be technologically second to none within your industry, across service industries (compared to firms of similar size), and 2 years from now? Are you using technology today to improve your service and grow your business?

Overcoming Planning Fallacies

You can't really predict the future (don't fool yourself), so plan for several possible futures instead.

KEY QUOTES

"Never mind what business you are in – what are you good at?"

"In large part, service marketing is a popularity contest."

"Service businesses are about relationships. Relationships are about feelings."

"Don't approach planning as a precise science. Planning is an imprecise art."

We don't always know what we want. You can get to your "desired destination", only to realize it's not what you really want. Hence:

- Accept the limitations of planning.
- Value planning for the process of thinking, not the results.
- Don't plan your future. Plan your people.

Strategy *isn't* king. Often, tactics drive strategy rather than the other way round. Start doing something/anything, so you can learn from it and shape your thinking/strategy.

Stop trying to build a better mousetrap. Perfect ideas don't work as well as imperfect ideas delivered passionately.

Inaction breeds more inaction: keep moving to succeed.

There's no perfect solution nor perfect timing. Implement a good idea now. Don't procrastinate, don't wait.

Good ideas often sound silly at first. Encourage stupid ideas – they are a healthy part of lateral thinking.

Any idea could fail. Don't kill an idea just because it may fail.

Most of the "truths" that we know about our business, our audience or our company may not be so. Beware of the overconfidence bias and be open to alternative truths.

Every situation is different, so an expert's experience may not always be "right". Don't depend on experts for fail-safe answers.

No research or "facts" can accurately calculate and predict human behaviour. Don't rely on science & data for decisions.

Focus groups tend to focus on today's needs. Don't depend on focus groups to generate ideas for tomorrow.

Common sense is useful, but doesn't create breakthrough ideas.

Our memories are inaccurate and incomplete. Don't do your planning based on memory / what you think you remember.

Our learning from experience comes from inference, and we tend to overgeneralize when we infer. Don't trust everything that experience has taught you.

KEY QUOTES

"Marginal tactics executed passionately almost always will outperform brilliant tactics executed marginally."

"Today's good idea almost always will beat tomorrow's better one... Do it now."

"Too often, the path to perfection leads to procrastination."

"Start failing so you can start succeeding."

"There are no answers, only informed opinions."

"Common sense will only get you so far. For inspiring results, you'll need inspiration."

"Ideas do not follow the good thinking in an organization; ideas follow the power."

Being in a position of authority doesn't make you the best decision-maker. If you're in a position of power, learn to listen. If you're not, learn to question authority.

Companies who succeeded start by believing "it's possible".

How Prospects Think

People make irrational, emotional buying decisions. Don't appeal only to reason.

People choose what is familiar. It's better to be known badly than not be known - people tend to forget the (bad) attributes over time but remember the company. Get familiar to your prospects.

People tend to make decisions based on the most recent data. Get good at your follow up, and/or build on competitors' communications - say something stronger and more effective to secure the business. Leverage on the Recency Effect.

People don't usually evaluate all possible options to make the best choice. They just want to avoid making a bad choice. Show that you are "good enough" - present yourself as good choice, then eliminate all possible concerns that could make you a bad choice.

Remove the fear factor for clients by offering free trials, money-back guarantees etc. Start with a small project or a small slice that people can try out without worry.

People get anchored to their first impressions of you. Identify your first points of contact - the first things you say or the first way you position your service - polish these anchors. Make every other impression you make count. For example , when clients call you, how good is that first call?

Show your weaknesses alongside your strengths, as they make you more believable, honest and trust worthy.

KEY QUOTES

"Familiarity breeds business. Spread your word however you can."

"People do not look to make the superior choice; they want to avoid making a bad choice."

"The best thing you can do for a prospect is eliminate her fear. Offer a trial period or a test project."

"Rather than hide your weaknesses, admit them... Tell the truth. Even if it hurts, it will help."

People need to justify their decisions, and they look for even the smallest differences to do that. Accentuate the trivial differences.

Positioning & Focus

No 2 services are identical – identify or create the differences in your service. Focus on **ONE distinct thing** that will give you a competitive advantage, and position that in your prospect's mind.

- Have 1 simple message that sets you apart from competitors.
- A strong focus rallies your troops, makes your word-of-mouth & elevator pitch more effective and aligns your messages.

The Halo Effect

- Standing for 1 thing doesn't mean you will lose all other appeal, because people will associate that 1 thing with many other things.
- Position yourself as the expert at the hardest task in your service. That special skill should imply you also possess other valuable skills, and position you strongly in other areas.

Closing the gap between your position and positioning statement

- A position is different from a positioning statement:
  1. A position is where you are now in people's minds, based on what they see/ hear/ feel.
  2. A positioning statement is how you wish to be perceived (and what you communicate to influence perceptions). To establish a clear positioning statement, ask these 7 questions:
     - **i.** *Who:* Who are you?
     - **ii.** *What:* What business are you in?
     - **iii.** *For whom:* What people do you serve?
     - **iv.** *What need:* What are the special needs of those you serve?

KEY QUOTES

"You must sacrifice. You cannot be all things to all people."

"The more you say, the less people hear."

"To broaden your appeal, narrow your position."

"Say one positive thing, and you will become associated with many."

"If no prospect can describe your position, you do not have one."

v. *Against whom:* With whom are you competing?
vi. *What's different:* What makes you different from competitors?
vii. *So:* What's the benefit? What unique benefit does a client derive from your service?

- You can't "position" yourself. You can only leverage your current position. To close the gap between your position and your positioning statement:
  1. Keep the steps small so customers can make the leap. Don't confuse your positioning statement with your (internal) BHAGs (Big Hairy Audacious Goals).
  2. Repositioning your competitors: Choose a position that will make your competitors look similar to one another (compared to you). Then, move back toward the middle to close the sale.
- Positioning a small service: Don't try to hide the fact that you are small. Focus on the advantages of being small, e.g. responsiveness and individual attention.

Pricing

Pricing is not necessarily logical – a lower price may make your product second-rate rather than great value.

Apply the resistance principle: If no one complains about your price, it's too low. If almost everyone complains, it's too high.

The low-cost trap: Low prices and good value are not in themselves a positioning – there are almost always a way to beat that price. Focus on improving your service instead.

A high or low price conveys a clear positioning. **Be careful about middle pricing,** because you are competing with almost everyone.

Don't charge by the hour. Charge for knowing the right buttons to press (and the cumulative time you took to develop these skills).

KEY QUOTES

"Don't start by positioning your service. Instead, leverage the position you have."

"In positioning, you have to jump from lily pad to nearby lily pad, one at a time."

"Setting your price is like setting a screw. A little resistance is a good sign."

Naming & Branding

A well-built brand has value.

- It makes selling easier, faster & cheaper: Word of mouth travels more easily, and inquiries are more likely to convert to sales.
- In our "microwave world" where people constantly seek shortcuts, brands are used as a tool for decision making.

Your name should carry **unique, specific, sensory information:**

- Represent your product, not a generic business category.
- Don't use words that describe what everyone already expects (e.g. "creative", "quality").
- The name should imply the service it's intended to serve, and should be unique and sensory.
- Use the "Information-per-Inch Test" to see how much valuable information you are packing into your name. Use colour effectively. Using "Federal Express" as a benchmark, look at what your name and colours are communicating.
- To speed up your brand-building efforts, choose an "unconfusable" name. Many of the big brands (e.g. McKinsey, Harvard, Nike) come with unique names that are not shared by other brands.

A brand acts like a promise and warranty of the service quality that the customer will receive. The best brands keep their promises.

Communicating and Selling

People are interested in themselves, not you. The most compelling sales message is one that focuses on your prospects – what they want, what they need, who they are.

People can only process 1 message at a time. When you say too much, you communicate nothing. The fastest way to improve your sales force is to improve the message, not fix the people.

KEY QUOTES

"In service marketing, almost nothing beats a brand."

"Brands are decision-making shortcuts in a world of people like you looking for shortcuts... As time shrinks, the importance of brands increases."

"Building your brand doesn't take millions. It takes imagination."

"A service is a promise, and building a brand builds your promise...the heart of a service brand...is the integrity of the people behind it."

"Make the services visible, and make the prospect comfortable."

"Meet your market's very first need: Give it one good reason."

Say just 1 thing, then repeat it again and again.

Don't use adjectives. Use stories.

Attack the stereotype your prospect has about you.

Don't say it; Prove it. Use simple, specific, concrete examples. Create evidence of your service quality and communicate it.

Use honesty, not tricks or gimmicks.

Your proficiency isn't as important as the long-term relationship you offer.

You don't need to convey you are superior. You just need to convey you are "positively good".

People trust what they see, not what you say. Watch what you show.

Make the invisible visible. Prospects look for visual clues about the service. Make your services visual so people see who you are. Repeat yourself visually.

Each visual cue you send forms the experience and the client's perception of quality. Be intentional.

To evaluate what someone says, people need to see the speaker. Your marketing needs to have a human face.

When selling something complex, use a metaphor to simplify it.

Use generative words that stimulates the imagination.

Avoid hype and clichés. Get to the point asap - tell people in just 1 sentence why they should buy from you.

To get more publicity, do more advertising. It gives you direct exposure, and creates perceived credibility for editors to want to cover your story.

To get editors to publicize you, give them an interesting story that their readers will want to read. There's always something interesting to share – look harder.

Make sure your service is easy to buy – make the offering and price clear, make it easy to sample and purchase.

KEY QUOTES

"To fix your messengers, fix your message."

"Prospects do not buy how good you are at what you do. They buy how good you are at who you are."

"People will trust their eyes far before they will ever trust your words."

"Service marketers must create the visual surroundings – from the parking lot to the last page of the proposal – that will enhance the client's perception of quality."

"Give your marketing a human face."

"Tell people – in a single compelling sentence – why they should buy from you instead of someone else."

People want to be happy. **Hope always sells.**

Have a good mission statement.

- Mission statements should be specific – they should draw a clear map and include a measurable objective.
- The mission statement must change behaviours in your company – if it doesn't, change the statement.
- Good mission statements are not meant to be part of marketing communications. Have a good statement that states your strategic goal, but keep it private.

Nurturing and Keeping Clients

Relationship accounting. Most service firms start the relationship with their clients on a deficit – the client has taken a risk to engage the firm, and expects the services to be delivered. Manage your relationship balance sheet, and assume it is worse than it seems.

Manage your clients' expectations. Don't raise expectations you cannot meet. Under-promise and over-deliver.

Show appreciation often. Keep thanking. Make every client very happy every day.

Most failures are obvious but successes are not. Make sure you **highlight your successes** and show your clients you have achieved.

Unlike products, most services (e.g. dental services, accounting) are no longer visible once consumed. **Use advertisements** to remind clients that you are still around, and successfully satisfying other clients.

Other details to look out for in the book

The book covers more than 100 tips, each presented in 1-3 pages, with short, simple examples for most "chapters".

KEY QUOTES

"Write a mission statement, but keep it private."

"A customer's satisfaction is the gap between what the customer expects and what she gets."

"Don't expect the client to see how hard you have worked, how much you have cared, and how well you have performed. So often, the client is the last to know."

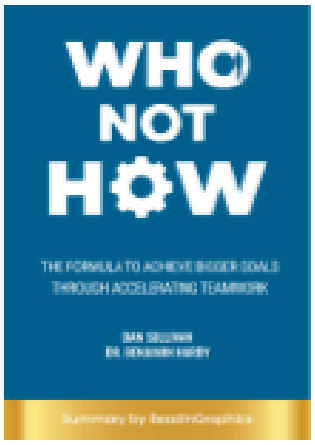
Although the book was written in 1997, many of the examples and ideas are still relevant today. Not all the tips will be relevant or helpful to your organization, but you will almost definitely be able to find useful insights or reminders that you can apply immediately.

About the Author of Selling the Invisible

Harry Beckwith is an author, lecturer, speaker and marketer. He is the founder of Beckwith Partners, a marketing and advertising company located in Minneapolis. He has advised several Fortune 500 companies, and many small and medium-sized service-oriented businesses.

Besides *Selling the Invisible*, he has also authored several books, including *What Clients Love*, *The Invisible Touch*, *You, Inc.*, and *Unthinking*. For more details, visit his website -*www.beckwithpartners.com*

KEY QUOTES



WHO NOT HOW

The Formula to Achieve Bigger Goals Through Accelerating Teamwork

DAN SULLIVAN & DR. BENJAMIN HARDY

The Big "So What"

Entrepreneurs and business leaders often ask the wrong questions and try to do everything themselves. They ask "How can we do this?" or "How do we achieve this goal?" instead of "Who can help us to achieve this?" or "Who can do this for us?" By working with the right people, you can expand your vision, resources and personal growth to achieve dramatically better results.

Introduction

To succeed, you must put in effort and become great at what you do. However, if you try to do everything yourself, you'll end up diluting your energy/focus. The secret to true success and freedom is to focus your energy on the areas that leverage your strengths, creativity, and passions, so you can generate the greatest impact.

When you're stuck with a problem, do you find yourself asking "How can I do this?" This is the actually wrong approach.

- Stop asking questions like "How should I do this?" or "How should I achieve this goal?" When you *focus on "how"*, you're restricted to your finite time, resources, skills and experience.

- Instead, *focus on "who"* by asking "Who can help me to achieve this goal?" or "Who can do this *for me*?" Such questions immediately open up new possibilities that you wouldn't otherwise consider, allowing you to improve your results by 10x or even 100x.

KEY QUOTES

"This is a book about producing bigger and better results in the absolute most effective way possible—in the only way possible."

"The only way to make your present better is by making your future bigger."

"When you're trying to accomplish something challenging or difficult that you've never done before, you probably need a Who."

Adopting the Who-Mindset

The "Who Not How" approach is not about exploiting others. It requires a **fundamental shift** in mindset and approach that positively transforms you and your Whos.

- The core idea is to build a *collaborative network* where each person can offer his/her unique strengths while leveraging others' strengths. Everyone on this "team" is equally valuable regardless of what they offer, and can achieve their personal goals by contributing to the shared vision.

- Every Who needs other Whos. You rely on your Whos for their strengths/resources, while offering your strengths/resources to them in a *symbiotic relationship*. For example:

  (i) This book is the result of the Who Not How approach. Sullivan is the cofounder of an entrepreneurial coaching company. Hardy suggested writing this book after hearing one of Sullivan's talks. Sullivan provided the insights, while Hardy wrote the book and published it with the help of Tucker Max. Hardy and Max were Sullivan's Who for this book, while Sullivan was their Who for expanding their entrepreneurial vision/goals.

  (ii) IBCC Industries, an industrial parts manufacturer, had to relocate its manufacturing from China to India after the USA imposed new tariffs in 2018. By asking "who" questions (e.g. Who can help us to start manufacturing in India? Who can help us to find the ideal location to build our plants? Who can supply good scrap steel in India?), the CEO managed to shift their operations to India in 5 months, and generate >$20 mil revenue from their new plant in 18 months.

Here are the key steps involved in finding the right "Who":

KEY QUOTES

"Every relationship can be viewed as teamwork, directed toward a purpose."
—Buddha

- *Get clear on what you want*. Define a clear, non-negotiable vision. You can download Dan Sullivan's 1-page Impact Filter to crystallize your goals, including:

  (i) The *project focus*:

  - Your purpose: what you want to accomplish and why.
  - The significance or impact of the project.
  - The ideal outcome or what the completed project looks like.

  (ii) *Why you should take action*: Define the best-case scenario if you take action, and the worst-case scenario if you don't. You must sell the vision to yourself before you can sell it to others.

  (iii) *The success criteria*, i.e. what must be true for this project to be considered "done".

- *Communicate your vision widely*. The more you share your Impact Filter, the more you'll crystallize your vision.

  - *Ask "who can help me to achieve this?"* When you're crystal-clear on your vision and ideal Whos, the right people will find you. Remember: there are unlimited talents out there. You're looking for someone who (i) loves to do what you can't or don't want to do, and (ii) will achieve their goals by achieving yours.

  - Once you've found your Who, focus on *engaging and supporting them* to realize the shared vision. Don't micromanage or dictate how things must be done. Give them the freedom to determine how to achieve the desired end-results.

In the next sections, you'll learn how you can embrace this philosophy to earn your freedom, and enjoy more time, more money, better relationships and a greater sense of purpose.

Gain the Freedom of Time

Each of us has only 24 hours a day. How well you master your time determines how much you can accomplish. In order to do

KEY QUOTES

"Your vision helps your Whos, and, in turn, you become their Who, helping them achieve their vision and goals with you."

"Only once you give yourself permission to stop trying to do it all, to stop saying yes to everyone, can you make your highest contribution toward the things that really matter."
—Greg McKeown

what you love and are great at, spend less time on the things you hate or are bad at, and tap on others' strengths/resources.

"Whos" allow you to expand exponentially

"Whos" allow you to get drastically better results.

- When you ask "how" questions, you're limited by your own knowledge/capabilities and your finite time/attention. When you do everything yourself, your progress is *linear* since you have no time/energy to expand your vision.

- When you ask "who" questions, you can grow your results *exponentially* because you can: (i) connect to new insights, knowledge, resources, and skills, (ii) partner with people who can achieve more results with less time/resources, (iii) have multiple Whos (who in turn have multiple Whos), and (iv) free up your own time to focus on more impactful tasks.

"Whos" allow you to expand as a person. Every human being has an innate desire to grow. A Who-mindset is about developing 2-way relationships for mutual learning and growth.

- When we partner with others, we gain both material resources (e.g. money, networks) and non-material resources (e.g. time, insights, encouragement). This *expands our efficacy* or our potential to produce desired results. For example, if you want to improve your fitness, it's more effective to engage a personal trainer (who can offer coaching and support) instead of just buying a gym membership.

- Seek to unlock your "*Transforming Self*", which is the highest level of psychological development according to psychologist Dr. Robert Kegan:

  (i) The *Socializing Self* acts from fear, and does things to conform or gain approval from others.

  (ii) The *Authoring Self* has an independent worldview, but is blind to personal biases and is stuck with a narrow perspective.

KEY QUOTES

"What is the ultimate quantification of success? For me, it's not how much time you spend doing what you love. It's how little time you spend doing what you hate."
—Casey Neistat

"'Who' expands your vision for what is possible, because you no longer see yourself as the sole means of achieving the result."

"Who Not How is about utilizing relationships, and being transformed by them."

"Resources not only expand your ability to produce results, but can have a transformational effect on you as a person—on your identity, worldview, and skill level."

(iii) The *Transforming Self* has independent views, beliefs and goals. At the same time, you forge collaborative relationships to learn, grow and expand your perspectives/self-image. This unlocks synergy where the whole is greater than the sum of its parts.

"Whos" help you to overcome procrastination

Most people spend the bulk of their lives putting off important things. The more you procrastinate, the more you lose confidence in yourself and limit your own potential. Whos give you the confidence and energy to break the inertia.

- Procrastination usually sets in when we *lack the confidence* to do something. The more we put things off, the less confident (and more guilty) we feel, and the more we procrastinate. Eventually, we develop a negative self-image that narrows our ambition and possibilities.

- Procrastination is actually *a form of wisdom*, since it signals that you lack something to start on an important task. If you fret over *how* to do it, you'll just keep going in circles. Once you ask "*who* can help me to do this?" you'll suddenly feel relieved and energized to seek out people with the time, connections, skills and knowledge to address your problem.

However, people will only want to collaborate with you if they believe in your vision and how you can help them. That's why it's crucial to crystallize your vision and commit to your goals *before* you try to enroll others. Define the "whats" and "whys", then let your Whos define and execute their Hows.

You can find the right Whos in all aspects of your life, from your work/business to your health, interests, and relationships.

- In fact, you're already surrounded by Whos. Just think of the people you rely on daily, e.g. the postman, cab-driver, your kids' teachers, etc. You're also a Who to your spouse, friends, children, colleagues, and customers. How could your life improve if you *increase the number and quality of Whos* around you?

KEY QUOTES

"Procrastination is a psychological phenomenon that occurs when you really want something more for yourself, but you lack the knowledge and capability to do it."

"You can have everything in life you want, if you will just help other people get what they want."

"Your life is filled with Whos that serve specific and unique roles, enabling you to be and do what you otherwise could not."

- Use *quarterly cycles* to add Whos and improve your results. Every 90 days:

  (i) Reflect on your top achievements in the past 90 days and what you're the most confident of.

  (ii) Identify and eliminate the tasks that drain/distract you from your high-impact activities.

  (iii) For the next 90 days, identify 5 projects that you're excited about *and* confident of making progress in. Crystallize your goals for those areas, then ask "Who can help me to achieve this?" Add at least 1 Who to help you in your 90-day goals.

Gain the Freedom of Money

With more Whos working on your goals, you'll have more time to focus on the things that you're good at. This allows you to increase your earning capacity and eventually attain the Freedom of Money (i.e. having enough money to solve most problems).

Time is Money

There are 2 types of problems in business:

- *Technical problems* refer to issues where you already know the answer and just need a way to get there (e.g. setting up a blog page). You can learn how to do it yourself, but it's better to find someone who (i) can do it better/faster and (ii) wants to do it. This solves your problem while giving the other person a desired opportunity.

- *Adaptive problems* refer to issues without a known answer. This is where you come in as the Who—to set the direction and act as the creator/innovator. These are the high-payoff activities which only you can solve with your vision, knowledge, and expertise.

Each of us has a finite amount of energy and attention. Every time you think about an issue or make a decision (however

KEY QUOTES

"You have to work less to make more money."

"Delegate everything except genius."

minor), you're depleting your reserves, until you end up with "decision fatigue". The key is to progressively delegate the unproductive activities so you free yourself up for creative, high-impact work.

- When you're not bogged down by the Hows, you can use the time/energy to prepare for important events (e.g. an important speech or presentation). You're also more likely to *get in "flow"*, which is a peak-performance state where you can push your boundaries effortlessly and expand your skills and results.

- The more time you free up for high-impact activities, the more money you'll earn, allowing you to get more Whos and resources in a *virtuous cycle*. Imagine what it's like to have a Who to handle every aspect of your life (including someone to hire/find other Whos), so you can focus on the most rewarding activities that you love. For example, you may start by investing $500 for someone to edit and post your podcasts online while you focus on developing quality content. As your traffic and revenue increase, you can invest more into marketing your podcasts, and even offer bonuses for achieving certain targets.

Adopt an investment-mindset, not a cost-mindset: (i) see each Who in terms of the potential value and personal growth they can bring, (ii) think strategically (instead of focusing on short-term transactions), and (iii) seek win-win opportunities (instead of worrying about what you may lose).

- The right Whos will *multiply your results*, grow your vision and open the door to new possibilities. For example, if you're the CEO of a company, it makes more sense to invest $2,000 to have someone build your website than to try and do it yourself. Investing $150,000 in a good sales manager is also well worth it if he can bring in $1.5 mil more revenue each year.

Invest in your Vision and your Whos

The Pygmalion Effect refers to people's tendency to rise or fall to the standards that others expect of them. When you invest in your vision and surround yourself with people who're passionate about your goals, you'll push yourself to

KEY QUOTES

"Only those who value their time can become increasingly free in the realm of money."

"Until you free up your time, your mind will be caged. When you free up your time, you free up your mind."

"Whos, when selected properly to fit within your vision, are never a cost. Whos are an investment."

"Every time you invest yourself in something, you become more committed to it."

live up to their expectations and achieve real results. In the process, you become more committed and confident, making it easier to attract even more Whos. Likewise, your team members will also become more confident and committed each time they overcome obstacles to move closer to the goal/vision.

Delegate and engage people effectively.

- The *Self-Determination Theory* says that every human being is motivated by 3 psychological needs: competence, autonomy, and positive/meaningful relationships. By creating an environment that fulfill these needs, you can unlock your team's intrinsic motivation and increase their performance.

- *Focus on the end-results* instead of micro-managing the process. Give your Whos the flexibility and autonomy to decide on the Hows. Focus your energy on upholding high standards, and on providing clarity and encouragement. Transformational leaders invest in their people in 4 ways:

  (i) They provide *individualized consideration* by valuing each person's unique contribution, listening for their needs/concerns, and offering empathy and support.

  (ii) They offer *intellectual stimulation*, creativity and learning by challenging assumptions, inviting inputs, taking risks, and encouraging their team to do the same.

  (iii) They provide *inspiration* by articulating a motivating and meaningful vision, challenging people to raise their standards, and building a sense of purpose and optimism.

  (iv) They *role model* ethical behaviors to earn the trust and respect of their followers, such that people want to learn, grow, and support them to achieve their vision.

- However, autonomy without clarity or feedback will only create confusion and chaos. To *delegate effectively*, you need 3 ingredients:

  (i) *Goal clarity*: provide a clear vision, define what "done" looks like, and set clear boundaries;

KEY QUOTES

"Support is attracted to purpose."

"Treat your employees as an investment, not a cost."

"You define the vision, find the Who or Whos, and let them create the result."

"The most useful thing you can do for other people is appreciate their value."

"Autonomy without clarity is ultimately a disaster."

(ii) *Autonomy*: let people decide how to achieve the goal; and

(iii) *Regular feedback*: provide direction/inputs where needed.

Gain the Freedom of Relationships

As you grow your Time and Money Freedoms, you'll meet world-class mentors and collaborators who can bring you and your products/services to even greater heights. You'll also have the flexibility to connect/partner with people you *want* to build relationships with.

Be a good "Who" to others first

Create value first. Transformational relationships only work if all parties are willing to ask "What's in it for *them*?" instead of "What's in it for me?" Before you approach someone, learn what they value or care about, and if/how you could help them to accomplish what they want. Only forge relationships if you have something concrete and meaningful to contribute. Ultimately, you want to work with people whose objectives can be met by helping you to achieve your vision.

Continually add value to others to build the relationship.

- Give generously and find ways to add value through *growth/service*. Seek to expand the pie for all parties involved. Don't focus on status or external rewards, or you'll lose the motivation to maintain the relationship once you reach a certain level of success or extract what you want from the relationship.

- If you're not used to connecting at that level, start by *volunteering* your time/services without expectation of reward.

Express gratitude regularly. All human beings want to feel appreciated. When you sincerely appreciate the people around you, (i) you'll feel happier and humbler, (ii) others

KEY QUOTES

"When the student is ready, the teacher will appear."
—Buddha

"Don't reach out to someone unless you have something meaningful to offer them."

"If you're useful, and continue being generous, the world will be very good to you."

"Gratitude attracts and creates abundance."

want to be around you, and (iii) you'll attract more Whos into your life.

Go for an ideal fit

Invest in relationships that have a good fit. Only connect with people you *want* to connect with. Ask yourself "How do I feel when I'm with this person?" The right people allow you to be who you are, and to become who you aspire to be. If a relationship is a chore, then let it go no matter how "successful" that person seems.

Be willing to say "no" to people who aren't aligned with your goals. If a client is disrespectful, condescending, and insists on dictating the tasks of everyone on your team, let him go even if he's worth millions of dollars. Only work with people who're excited about your vision and can share an open, positive relationship with you.

- Always *be the buyer*, not the seller. Get crystal-clear about your vision, future self, and priorities, and only engage in relationships that are aligned with that desired future. As you gain more freedom of time and money, you'll have more options and will no longer tolerate the people or things that you used to tolerate.

- Keep *increasing the quality* of people in your life to increase your confidence and likelihood of creating your desired future. Look back at yourself 5 or 10 years agoo: How have your preferences, attitudes and priorities changed? What do you no longer tolerate?

Collaborate effectively

An effective team will always outperform an individual, no matter how brilliant he/she is. Even Tiger Woods—a golf superstar—needs the support of his coaches and caddy.

Be open to others' ideas and suggestions. No matter how smart you are, your views and knowledge will always be limited. Combine your ideas, skills and perspectives with others to expand your possibilities and results exponentially.

KEY QUOTES

"When finding Whos, don't settle...Find Whos that fit."

"I don't want to work on a relationship. I just want a relationship that works."
—Dan Sullivan

"You get in life what you tolerate."

"Your ability to succeed is based on the quality of the people in your life."

"No matter how brilliant your mind or strategy, if you're playing a solo game, you'll always lose out to a team."
—Reid Hoffman

Create rapid feedback loops with the 80% rule.

- Don't try to perfect a plan on your own. It's much better to throw out your raw ideas or drafts to your team for *feedback*.
- Do what you can as the Who, the *pass it on to the next Who*. The last 20% of a project can be the most time-consuming. So, aim to reach 80% quickly (e.g. an initial draft), then get feedback from others, identify what's required to move it to 100%, and get the right Who to bring it to the next level.
- Don't let the desire for perfection hold you back from *completing a project*. Define the criteria for "done", celebrate a project when it's done and move on.

Aim to be a hero to your team members and collaborators. This will motivate you to put in your best effort and achieve your best results. Likewise, allow others to be your hero—ask for help once you're stuck. When you open up, you release the pent-up emotions blocking your creative insights, and can get fresh ideas and perspectives.

Gain the Freedom of Purpose

Each time you add a Who with complementary strengths/resources and fresh perspectives, you address your gaps/weaknesses, free up your time/energy for what matters most, expand your vision, and increase your freedom of time, money and relationships. You become truly free to pursue your dreams instead of getting stuck in the daily grind.

Collaborate, don't compete

Shift from a mindset of scarcity to abundance. When you compete with others, you're pitting your finite strengths/resources against theirs. When you collaborate, you're adding others' strengths/resources to yours. This (i) increases your chances and levels of success, (ii) creates a deeper sense of meaning and belonging, and (iii) helps you to

KEY QUOTES

"Entrepreneurs base their lives on results. It's not about time or effort."

"Done is better than perfect."

"In the world of business and life, collaboration is the name of the game."

value others' contributions (instead over-valuing your own contributions).

Your identity, purpose and goals are shaped by your experiences and the people around you. Find the right Whos that broaden your vision and sense of purpose.

- British authors J. R. R. Tolkien and C. S. Lewis rocked the fantasy genre in the 20th century with their respective books *The Lord of the Rings* and *Chronicles of Narnia*. Without the authors' mutual support and encouragement, both books may not have been published.

  (i) Tolkien met Lewis while teaching at Oxford University. They shared a common interest in Norse mythology and formed a literary group that met regularly.

  (ii) Tolkien had been working on a poem for 4 years before he asked Lewis to review it. Lewis' praises, feedback and encouragement were instrumental to Tolkien's progress with *The Lord of the Rings*.

  (iii) In the meantime, Tolkien and a common friend prodded Lewis to return to his Christian faith, which had a huge influence on the *Chronicles of Narnia series*.

Conclusion & Other Details in the Book

How far do you wish to achieve the freedom of time, money, relationship and purpose? Whose hero do you wish to be? Your level of success, impact and freedom will be directly proportional to how far you commit to and apply the points outlined above. Start by:

- Setting a bigger goal or vision for the future;
- Asking "Who can help me to do this?"; and
- Repeating the process for all aspects of your life.

The book also includes many real-life stories of famous people and entrepreneurs coached by Dan Sullivan. For more details, support and resources (including the free

KEY QUOTES

Impact Filter download), do visit www.strategiccoach.com/whonothow.

About the Authors

Dan Sullivan is a speaker, consultant, strategic planner, and coach. He is a co-founder and president of Strategic Coach, an entrepreneurial coaching company. He is also the author of more than 50 books and publications. For more details, please visit strategiccoach.com.

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KEY QUOTES

THE WHOLE-BRAIN CHILD

Revolutionary Strategies to Nurture
Your Child's Developing Mind

Daniel J. Siegel & Tina Payne Bryson

The Big "So What"

When your child melts down or explodes with emotion, it's not about defiance—it's their brain struggling to cope. In *The Whole-Brain Child*, Daniel Siegel and Tina Payne Bryson explain how your child's brain works and develops, how everyday interactions shape that development, and how you can use 12 science-backed strategies to raise calmer, more resilient kids who feel secure, connected, and capable of thriving.

Introduction: What is Whole-Brain Parenting?

Most parenting advice focuses on managing children's behavior. However, lasting change begins with **brain development**—it affects everything from emotional management to decision-making, learning and relationships.

- The brain is constantly changing through experience—a process called *neuroplasticity*. Each time your child laughs, cries, solves a problem, or gets comforted, tiny brain cells called neurons send signals to each other. The more often mental pathways are activated, the stronger the connections grow. Over time, repeated experiences "rewire" the brain, forming default patterns that shape future reactions and behaviors.

- Every interaction you have with your child literally *shapes the architecture of their brain*, thereby shaping their emotions, thinking, and responses for years to come.

The brain isn't a single system. It has **different parts** that handle different jobs:

- The *left brain* is logical and organized;

- The *right brain* is emotional and intuitive;

KEY QUOTES

"In the following pages we explain the whole-brain perspective and give you a variety of strategies to help your children be happier, healthier, and more fully themselves."

"By understanding a few simple and easy-to-master basics about how the brain works, you'll be able to better understand your child, respond more effectively to difficult situations, and build a foundation for social, emotional, and mental health."

"You can use all of the interactions you share—the stressful, angry ones as well as the miraculous, adorable ones—as opportunities to help them become the responsible, caring, capable people you want them to be."

- The *lower brain* handles instinctive reactions; and
- The *upper brain* handles reasoning and empathy.

These parts often operate in conflict, especially when kids are overwhelmed. That's why a child can seem rational one moment and lose control the next. The key to healthy development lies in an **integrated brain**—getting different brain parts to work together.

- Children with well-integrated brains can regulate emotions, make better decisions, build stronger relationships, and thrive academically and socially. Disconnected brains lead to chaotic or rigid behavior, such as tantrums, shutdowns, or defiance.
- *Whole-brain parenting* facilitates whole-brain integration by:
  (i) Creating opportunities for the child to engage different parts of their brain; and
  (ii) Helping those parts to connect and work in harmony.
- In this summary we'll present these concepts in *2 parts*:
  (i) Integrating the Different Parts of the Brain; and
  (ii) Developing Mindsight

Part 1: Integrating the Different Parts of the Brain

There are 4 parts of the brain that must be integrated for a child to thrive: the left and right hemispheres and the top and bottom brain.

Horizontal Integration: Left and Right Brain

The brain has **2 hemispheres**, each with distinct roles:

- The *left brain* is logical, literal, and linear. It focuses on order, language, and cause-effect reasoning.
- The *right brain* is emotional, holistic, and nonverbal. It processes feelings, images, memories, and nonverbal cues such as facial expressions, body language, and tone of voice.

KEY QUOTES

"Integration takes the distinct parts of your brain and helps them work together as a whole."

"Whether you're a parent or other committed caregiver in a child's life, your ultimate goal is to raise kids in a way that lets them thrive."

"Whether you're a parent or other committed caregiver in a child's life, your ultimate goal is to raise kids in a way that lets them thrive."

- *Young children* (especially those <3 years old) are right-brain dominant—they live in the present moment and often express themselves through emotions, not logic. As they grow and start asking "Why?" questions, it's a sign that their left brain is developing—because the left brain likes to understand how things work and to use language to express that logic.

For kids to thrive, both sides of their brain must work together—a process called **horizontal integration**. This is facilitated by the corpus callosum, a bundle of fibers connecting the two sides of the brain.

- *When integration is weak*:
  - Right-brain dominance can lead to emotional flooding, such as chaotic meltdowns, anxiety, or irrational behavior.
  - Left-brain dominance can lead to emotional suppression. Kids may take things too literally, shut down, or claim "I don't care" even when they clearly do.
- There are *2 whole-brain strategies* for horizontal integration:
  (i) Connect emotionally, then guide rationally; and
  (ii) Name emotions to tame them.

Connect emotionally, then guide rationally. When kids are emotionally overwhelmed, their right brain takes over and their left brain is temporarily "offline." In this state, logical reasoning won't work, and harsh demands can make things worse.

- Instead, start with *emotional attunement*. Engage the right brain using (i) empathy (e.g. "That sounds really frustrating") and (ii) non-verbal cues (e.g. eye contact, a calm tone, gentle touches). Help the child feel safe and understood.
- Once they're calm and the *left brain is back online*, you can move to logic, problem-solving, or setting boundaries.
- For *example*, if your child is upset about a sibling getting better treatment, don't start with a logical explanation about fairness. Instead, validate their feelings, e.g. "It feels unfair sometimes, doesn't it?" Form a right-to-right connection, calm them down, then move into logic.

KEY QUOTES

"By helping our kids connect left and right, we give them a better chance of avoiding the banks of chaos and rigidity, and of living in the flexible current of mental health and happiness."

"An emotional desert, where feelings and the right brain are ignored or denied, is no healthier than a flood."

"Using only the right or left brain would be like trying to swim using only one arm."

"When a child is upset, logic often won't work until we have responded to the right brain's emotional needs."

"No matter how nonsensical and frustrating our child's feelings may seem to us, they are real and important to our child. It's vital that we treat them as such in our response."

- Similarly, if a child is dysregulated due to *hunger, exhaustion or overstimulation*, soothe and settle them first before trying to discipline or reason with them.

Name emotions to tame them. When children are scared or upset, their right brain gets flooded with big emotions. Help them to retell the story and put words to those feelings—because this engages their left brain, restores order and helps them make sense of what happened.

- In short, *storytelling connects both sides of the brain*, helping kids understand their feelings, process difficult experiences, and regain a sense of control.

- For *example*, 9-year-old Bella developed a fear of flushing the toilet after it overflowed. Her father helped her retell the story, including what happened and how she felt. With each retelling, the fear lost its grip, and she eventually overcame it.

- Here are several *tips to help your child re-tell their story*:

  (i) You can start the first line, then let them fill in the details.

  (ii) Let them lead the storytelling, using simple questions to help them piece together events and name their emotions.

  (iii) If they're not ready to talk, give them space to relax or encourage them to express themselves by drawing or playing. Avoid direct interrogation as they may simply shut down.

Horizontal integration applies to parents too. Right-brain dominant parents may overreact emotionally, while left-brain dominant parents may become overly rigid and miss emotional connections. Parents with integrated brains can **role-model** how to respond with both empathy and structure, setting boundaries while staying emotionally connected.

Vertical Integration: Top and Bottom Brain

To thrive, kids also need integration between the **top and bottom parts of the brain**. Think of the brain like a two-story house:

- The *downstairs brain* includes the brain stem and limbic system. It controls basic survival functions (e.g. breathing,

KEY QUOTES

"Reject their generic claims, incidental complaints, and fluffy promises. Instead, anchor them toward the life they already lead and the actions they're already taking."

"Don't underestimate the power of a story to hold a child's attention."

"Integrating and cultivating your own brain is one of the most loving and generous gifts you can give your children."

"Integration allows for a free flow between the lower and higher parts of our brain. It helps build the stairway, so that all the different parts of our brain can be coordinated and work together as a whole."

reflexes), instincts (e.g. fight, flight, or freeze), and strong emotions. It reacts instantly to perceived threats.

- The *upstairs brain*, mainly the cerebral cortex, handles more complex skills like decision-making, planning, empathy, self-awareness, and emotional regulation. However, when a child is overwhelmed, the downstairs brain can hijack the upstairs brain. It's like a baby gate slamming shut, cutting off access to the upstairs brain, leaving children stuck in emotional reactivity.

Not all **tantrums** are the same.

- An *upstairs tantrum* is calculated and intentional, like a child who screams to get a toy in a store, but stops instantly when presented with consequences. In this case, you should stay calm, acknowledge their feelings, but enforce clear limits, e.g., "I know you want the toy, but it's not okay to scream. If you don't stop, we will go home."

- A *downstairs tantrum* comes from true emotional overwhelm, like a toddler struggling in the bath out of fear of getting water in their eyes. Here, you should sooth the child first. Help them calm down, then gently talk about their behavior. For example: "I know you were upset about the water. But it's not ok to hit others. Next time, say, "I don't like that. Please stop."

For kids to manage emotions and make thoughtful choices, the upper and lower brains must be **vertically integrated**.

- *Children struggle with control and reasoning* because:

  (i) The upstairs brain isn't fully developed until their mid-20s.

  (ii) When the amygdala—the brain's alarm system—detects a threat, it can shut down access to the upstairs brain, leaving the child stuck in a reactive state.

- There are *3 whole-brain strategies for vertical integration*:

  (i) Engage the thinking brain, not instincts;

  (ii) Build thinking skills through practice; and

  (iii) Use movement to calm the brain.

KEY QUOTES

"A child whose upstairs brain is properly functioning will demonstrate some of the most important characteristics of a mature and healthy human being."

"A parent who recognizes an upstairs tantrum is left with one clear response: never negotiate with a terrorist."

"Whereas a child throwing an upstairs tantrum needs a parent to quickly set firm boundaries, an appropriate response to a downstairs tantrum is much more nurturing and comforting."

"A parent's goal should be to help build and reinforce the metaphorical stairway that connects the child's upper and lower brain so that the two can work as a team."

Engage the thinking brain, not the instincts. When a child misbehaves, how you react matters.

- Commands or ultimatums can enrage the downstairs brain to trigger more reactivity. Instead, *engage the upstairs brain* by offering choices, asking questions, or guiding them in problem-solving.
- Rather than say, "No dessert and that's final!" try saying, "You can have 1 bite of ice-cream if you finish half the pasta first."
- In some situations, there's no room for negotiation. But where possible, guide your child toward thoughtful decision-making.

Build thinking skills through practice. Like muscles, the brain strengthens with use. Encourage kids to use their upstairs brains regularly, to grow their capacity for reasoning, decision-making, and self-control.

- Let them make *age-appropriate choices* (e.g. choose their outfits, manage their schedules) and face the consequences of their choices.
- Teach them *self-regulation techniques* like deep breathing, counting to 10, or using words to express emotions.
- Ask *reflective questions* like: "Why do you feel that way?" or "What could you do differently next time?" Encourage activities like journaling or drawing, to help process thoughts or emotions.
- Nurture empathy by helping them to *tune in to others' emotions*, e.g. "How do you think your friend feels?"
- Promote *moral reasoning* by discussing ethical dilemmas, e.g. "Is it okay to lie to protect someone?" Model the behavior you want them to learn.

Use movement to calm the brain. Physical movement affects brain chemistry, calms the nervous system, and allows the upstairs brain to come back online.

- When emotions run high, *encourage your child to move* through play, sports, or physical activities like jumping or biking. Once they reset the body, they'll feel calmer and more focused.

KEY QUOTES

"Every time we say 'Convince me' or 'Come up with a solution that works for both of us,' we give our kids the chance to practice problem solving and decision making."

"The upstairs brain is like a muscle: when it gets used, it develops, gets stronger, and performs better."

"Let your children wrestle with the decision and live with the consequences."

"The more your kids think about what's going on within themselves, the more they will develop the ability to understand and respond to what's going on in the worlds within and around them."

"The next time your children need help calming down or regaining control, look for ways to get them moving."

An amygdala hijack can happen to both kids and adults. **Even the best parents lose control**.

- *If you feel yourself reaching a boiling point, stop* before you say/do something you regret. Close your mouth, step away and calm down first. Let your child know you need a moment, then breathe, stretch, or move around to regain balance.

- *Reconnect and make repairs* once you're ready. Apologize if needed, take ownership, and rebuild trust and safety in the relationship.

Memory Integration: Explicit and Implicit

Understand how memory works, so you can help kids to deal with difficult experiences, and make sense of their past in a way that supports emotional well-being.

- Our memories aren't stored as perfect records in mental filing cabinets. Instead, *the brain works through associations*, linking past and present experiences —often without our awareness

- *Each time we recall a memory, we alter it slightly* based on our current emotions, beliefs, and context. That's why two people may remember the same event differently.

Memories are stored in **two forms**:

- *Implicit memory* is unconscious. It influences our feelings and behaviors without us realizing it. For example, a child who had a scary swimming lesson might later feel anxious around pools without knowing why.

  - These memories begin forming even before birth and are shaped by *repeated experiences*.

  - The brain learns to expect familiar patterns—a process called *priming*. For example, if a parent hugs their toddler every day after work, the child's brain learns to expect that hug once the parent returns home.

  - *Explicit memory* is conscious. It involves facts, events, and experiences we can recall and talk about, such as remembering your first day at school or a family vacation.

KEY QUOTES

"The sooner you repair the connection between yourself and your child, the sooner you can both regain your emotional balance and get back to enjoying your relationship together."

"Your state of mind when you encoded the memory and the state of mind you're in when you recall it influence and change the memory itself. So the story you actually tell is less history and more historical fiction."

"Memories shape our current perceptions by causing us to anticipate what will happen next. Our past absolutely shapes our present and future. And it does so via associations within the brain."

For children to feel emotionally grounded, they need to **integrate implicit and explicit memories**—to understand what happened, how it shaped them, and how to move forward.

- The *hippocampus* (the brain's "search engine") helps to link implicit memory (emotions and sensations) with explicit memory (facts and narratives), so kids can make sense of their experiences and regulate their emotions.
- If left unintegrated, implicit memories are like scattered puzzle pieces that cause confusing emotions and behaviors. Help kids to *piece those parts together* into a clear story.
- There are *2 whole-brain strategies for memory integration*:

  (i) Replay memories to process them; and

  (ii) Practice daily storytelling and recollection.

Replay memories to process them. Help kids to revisit difficult experiences at their own pace. Introduce them to the "mental remote control," where they imagine pausing, rewinding, or fast-forwarding through the memory like a movie.

- This gives them a *sense of control* over what they recall, reducing fear and anxiety to allow healing. For example, a boy named Eli was traumatized after a woodworking accident. His father helped him retell the story bit by bit, using the mental remote to skip the most painful parts until Eli was ready to face them. Over time, Eli regained his confidence and overcame his fear.

Practice daily storytelling and recollection. Make it a family ritual to talk about everyday events, both the good and the bad. This helps to process hard moments and to reinforce positive experiences, family milestones, and important values.

- Ask guiding *questions that encourage recall*, e.g. "What happened when you visited your friend?" or "How did you feel when you talked to your teacher?"
- *Encourage journaling* as a way to express their experiences.
- Use *games, old photos, scrapbooks, or keepsakes* to spark memories and storytelling. For example, play a game where they share 2 truths and 1 lie, then you guess which 2 are true.

KEY QUOTES

"The more you can help bring those noteworthy moments into their explicit memory—such as family experiences, important friendships, or rites of passage—then the clearer and more influential those experiences will be."

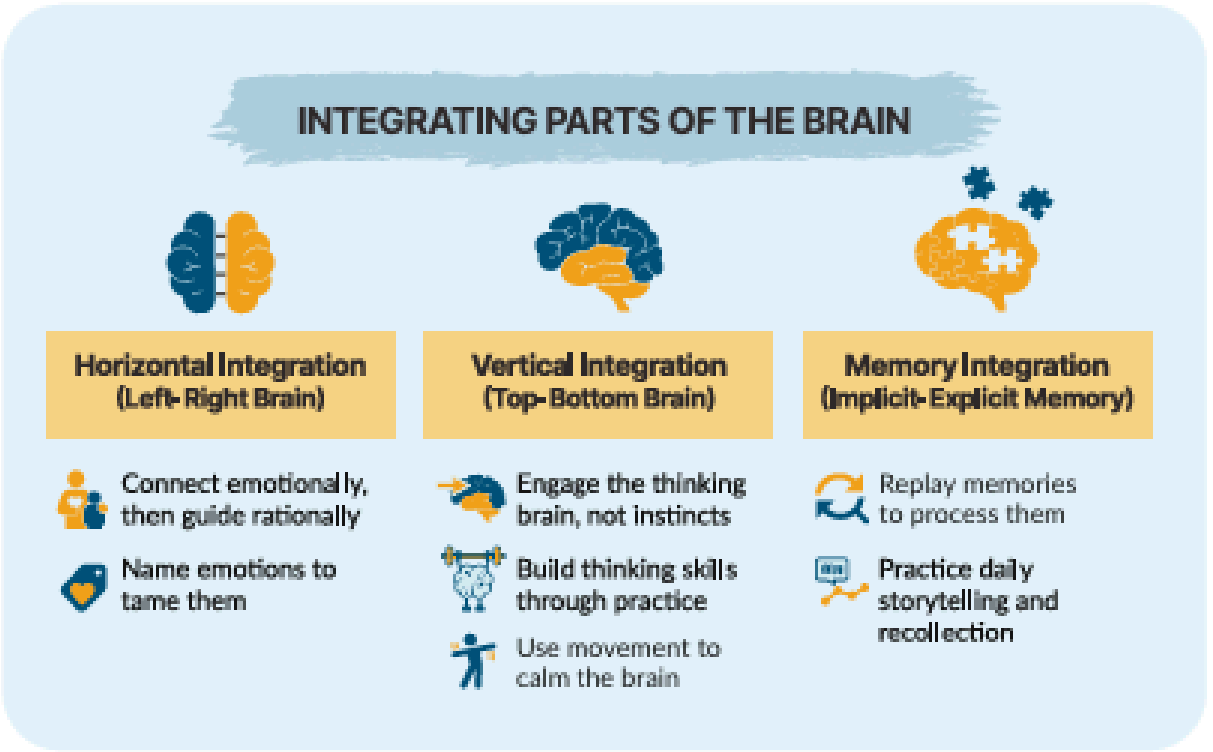
"Just like you might fast-forward through the scary parts of a movie or rewind to watch your favorite scene again, the remote of the mind is a tool that gives your child some control while revisiting an unpleasant memory."

"The more you can help bring those noteworthy moments into their explicit memory… then the clearer and more influential those experiences will be."

Parents are affected by implicit memories too. Unprocessed memories from your past can influence how you react to your child.

- For example, a dad who had buried trauma from a past medical scare found himself panicking every time his baby cried. Only after *processing his own memories* was he able to respond calmly and appropriately.

- If you find yourself *overreacting* to your child's behavior, pause and ask yourself: Why am I reacting this way? Does this remind me of something from my past? Once you recognize your triggers, you can consciously choose your response, rather than being driven by automatic reactions.



Part 2: Developing Mindsight

Mindsight is the ability to perceive/shape our inner world, and choose how we respond to them. It includes intrapersonal and interpersonal skills, and requires all 4 parts of the brain to work together.

Intrapersonal Integration (Self-Understanding)

Help kids to **connect with their inner world** so they can manage emotions, build resilience, and develop a strong sense of self.

- Children often *confuse temporary emotions with identity*. Instead of saying, "I feel sad," they might say, "I am sad." Instead of, "I made a mistake," they think, "I am a failure." This

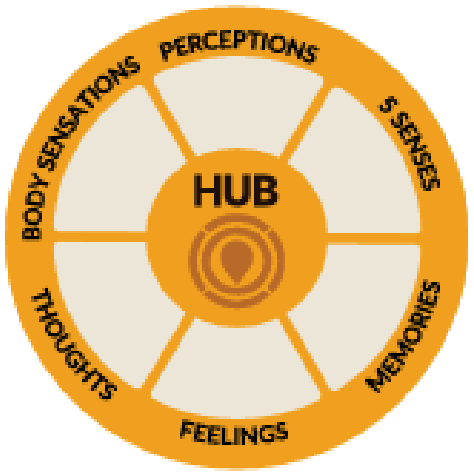
KEY QUOTES

"By integrating your implicit and explicit memories and shining the light of awareness on difficult moments from your past, you can gain insight into how your past is impacting your relationship with your children."

"Feelings need to be recognized for what they are: temporary, changing conditions. They are states, not traits."

can be harmful, because passing emotions may harden into deep-seated beliefs about who they are.

One powerful tool for building self-understanding is Daniel Siegel's **Wheel of Awareness**.



- The *rim* represents things we may focus on (e.g. thoughts, feelings, memories, sensations), while the *hub* represents awareness or the ability to step back and choose what to focus on.

- One *goal of mindsight* is to help children return to the hub, rather than getting stuck on any one point of the rim. For example, 11-year-old Josh excelled in school, sports, and music, but constantly felt he wasn't good enough. A therapist helped Josh trace his perfectionism back to early childhood. His brain had linked making mistakes with being abandoned after his father left. Through the Wheel, Josh realized that self-criticism was just one part of his experience, not his whole identity. He learned to shift focus to other parts—like his talents, friendships, and resilience—building new confidence and the ability to enjoy life.

- There are *3 whole-brain strategies for intrapersonal integration*:

  (i) Let fleeting emotions pass;

  (ii) SIFT the inner landscape; and

  (iii) Return to the hub of awareness.

Let fleeting emotions pass. Emotions (e.g. sadness or anger) last for only about 90 seconds. The initial surge usually fades quickly, unless they're fueled by ongoing thoughts and reactions.

- Teach kids that *emotions are temporary*, like passing clouds. Feeling upset doesn't mean they are broken or bad. Help them to notice their emotions without judgment, and let the feelings rise and fall naturally without denying or clinging to them.

SIFT the inner landscape. SIFT stands for sensations, images, feelings, and thoughts—the 4 key elements that shape our inner world.

KEY QUOTES

"We need to help children understand that the clouds of their emotions can (and will) roll on by. They won't feel sad or angry or hurt or lonely forever."

"[Teach] kids that they have choices about what they focus on and where they place their attention."

"We can shift our focus to other rim points on the wheel of awareness, so that we are no longer victims of forces seemingly beyond our control, but active participants in the process of deciding and affecting how we think and feel."

"By directing our attention, we can go from being influenced by factors within and around us to influencing them."

"Simply recognizing different sensations like hunger, tiredness, excitement, and grumpiness can give children a great deal of understanding and ultimately influence over their feelings."

- *Sensations*: Notice physical body signals (e.g. butterflies in the stomach = anxiety), then use these cues to regulate emotions.

- *Images*: Help kids to notice mental images from memories, dreams, or imagination, as well as the emotions being triggered.

- *Feelings*: Use specific words to label emotions (e.g. disappointed, excited), instead of vague labels (e.g. bad, fine).

- *Thoughts*: Teach them to observe their thoughts and realize that thoughts are not facts. A thought like "I'm so stupid" can be reframed as "I learning from my mistakes."

Return to the hub of awareness. When kids are overwhelmed by strong emotions, they need tools to recenter and calm down. Teach mindsight exercises that help them to return to the hub of awareness, regain balance and control. Examples include:

- *Breathing exercises*: Guide them to lie down, observe their surroundings, and then focus on their breathing.

- *Visualization*: Teach them to imagine peaceful scenes, e.g. floating in a pool or swinging in a hammock. When they're overwhelmed, they can use these mental images to relax and regain control.

Parents can also benefit from mindsight. Stay centered in the hub and choose where to focus your attention, so as to better manage your reactions, stay calm, and parent more intentionally.

- *Example*: Imagine you come home exhausted and see toys scattered all over the floor. You feel irritation rising. But instead of snapping, you pause and remind yourself that feelings are just one point on the rim. You shift your focus to sweeter memories like your child's hugs and laughter. As you redirect your focus, it shifts your emotional state, allowing you to respond in a more thoughtful way.

Interpersonal Integration (Relationship-Building)

Interpersonal integration is about building healthy, meaningful relationships with others, with a balance of individuality and connection. Too much focus on "me" can lead to selfishness and isolation, while too much focus on "we" can lead to dependency and vulnerability to peer pressure.

KEY QUOTES

"When a child becomes aware of the images that are active in his mind, he can use his mindsight to take control of those images and greatly diminish the power they have over him."

"Ideally, we want our kids to recognize that there's a colorful rainbow of rich emotions within them, and to pay attention to these different possibilities."

"Remember that just by talking about the mind, you help develop it."

"To become a part of a well-functioning "we," a person needs also to remain an individual "me.""

- The brain is a social organ that's shaped through interactions with others. Thanks to *mirror neurons* in our brain, we can understand and mimic others' emotions and actions. We even get infected by others' moods and feelings. That's why yawns are contagious, or why we smile when we see others laugh.

- Through early interactions, children develop *essential social skills* like listening, reading facial expressions, and sharing. These shape how they approach future friendships, romantic relationships, and even parenting.

  - If caregivers are responsive and nurturing, children learn that relationships are safe, supportive, and comforting. If caregivers are unreliable, distant, or harsh, children may learn to suppress their needs or fear closeness.

- Strong relationships are built on a *receptive (open) mindset* instead of a reactive (defensive) one:

  - When the brain perceives a threat, it shifts into a defensive fight, flight, or freeze mode, making it harder to listen, trust, or connect.

  - When the brain feels safe, it relaxes and opens up to others, allowing real connection.

- There are *2 whole-brain strategies for interpersonal integration*:

  (i) Build bonds through family fun; and

  (ii) Turn conflict into connection.

Build bonds through family fun. Positive interactions—whether through games, jokes, or shared activities—strengthen family bonds and teach kids that relationships are a source of happiness and comfort.

- Fun, joyous moments trigger the release of *dopamine*, a chemical that reinforces positive feelings, thereby strengthening the desire for meaningful relationships.

- Simple ways to *bring fun into family life* include: games, jokes, surprises, or simple traditions like a Friday movie night or Sunday pancake breakfast.

- Playfulness can also *defuse frustration*. A well-timed joke or silly gesture can turn tension into laughter.

KEY QUOTES

"Interpersonal integration means that we honor and nurture our different while cultivating our connections with one another."

"Kids who have difficulty relating to others need to have those connections encouraged and cultivated."

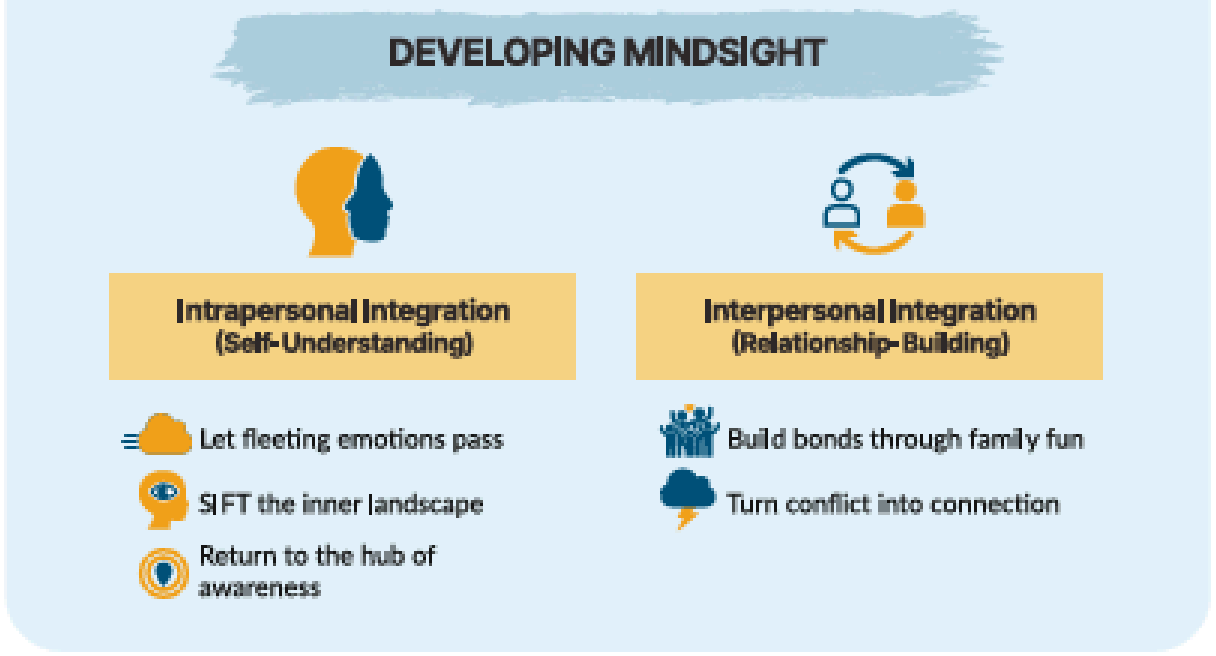
"Your state of mind can influence your child's state of mind, letting you transform fussiness and irritability into fun, laughter, and connection."

"Receptivity can lead to resonance—a way of joining from the inside out—that will allow them to enjoy the depth and intimacy that come with meaningful relationships."

"With every fun, enjoyable experience you give your children while they are with the family, you provide them with positive reinforcement about what it means to be in loving relationship with others."

Turn conflict into connection. Conflicts, when handled well, can become opportunities to deepen relationships.

- Use conflicts to *teach perspective-taking*. Start by validating the child's emotions, even if you disagree with their behavior. Then, guide them to consider the other person's view, e.g. "Do you think he was upset about something?"
- Teach them to *read nonverbal cues*, like facial expressions, posture, and tone. For example, "Your friend says he's fine, but his shoulders are slumped. How do you think he really feels?"
- Help them express themselves, listen actively, work together to find solutions, and *repair relationship ruptures*. For example, if a child breaks a sibling's toy, they could fix it, replace it, or do something kind to make amends. Ask, "If your favorite toy were broken, what would help you feel better?"



Conclusion and Other Details in the Book

Parenting is a huge responsibility, since every interaction you have with your child shapes their emotional and cognitive development. By **applying whole-brain strategies**, you can nurture children who are resilient, self-aware, and capable of strong, healthy relationships.

- Remember: *parents with integrated brains* can better role-model emotional regulation, empathy, and resilience, helping children to learn, grow, and thrive.

KEY QUOTES

"By asking questions about how another person feels, about why someone reacted as he did, we can encourage empathy in our children."

"Even children who don't seem predisposed to connection and compassion can learn what it means to be in relationship, and to fulfill the responsibilities that come with it."

"When you've become the active author of your life story and not merely the passive scribe of history as it unfolds, you can create a life that you love."

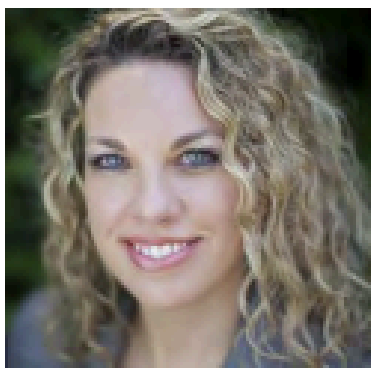
- *Explain to kids how their brains work*. When children understand what's happening inside them, it empowers them to manage their reactions and develop lifelong resilience.

The book includes additional examples, real-life stories, and practical tips to help you apply these strategies across all stages of childhood—from infancy to adolescence. For **more details and resources**, visit https://drdansiegel.com/.

About the Authors

Daniel J. Siegel, M.D. (born 1957) is an acclaimed author, award-winning educator, executive director of the Mindsight Institute, and a clinical professor of psychiatry at the UCLA School of Medicine. He received his medical degree from Harvard Medical School and completed his postgraduate medical education at UCLA. He's the author of several bestselling books, e.g., Mindsight, Brainstorm, and The Developing Mind.

Tina Payne Bryson is a psychotherapist, author, and speaker. She's the Founder/ Executive Director of The Center for Connection, and of The Play Strong Institute, and the co-author of several books. She graduated from Baylor University and earned her Ph.D. from the University of Southern California.



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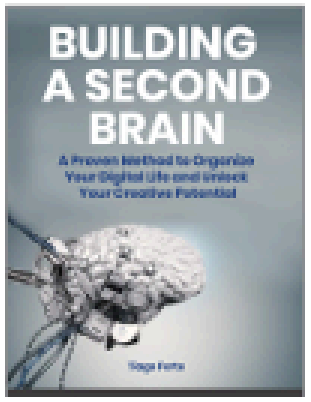


BUILDING A SECOND BRAIN

A Proven Method to Organize Your Digital Life and Unlock Your Creative Potential

TIAGO FORTE

The Big "So What"

All of us have moments when we struggle to absorb new information or recall something important. This step-by-step guide explains how to build a Second Brain—a digital information management system—to remember, retrieve and fully utilize all sorts of information. This improves your productivity, your creativity, and your ability to achieve any goal.

The Second Brain: What it is and why we need it

We live in an information age where we're surrounded by useful data. Yet, we don't retain much of what we read or consume, and struggle to remember important facts and information. Tiago Forte created the Second Brain system to help him capture and manage information in various aspects of his life. This book is the culmination of what he learned after 10 years of research, experimentation, and teaching others to build their knowledge management systems.

- A Second Brain is like an *external brain* where you can store and manage useful information. It's similar to an external hard drive for a computer, or a digital pocket library that contains all the information you want to remember.

- Forte's system leverages *technology* to digitize note-taking and organize information (including images, links, and all sorts of files). The content can be backed up online, searched and synced across multiple devices, to create a "knowledge vault" or a central source of information. It gives you the assurance that all your ideas are safely preserved.

KEY QUOTES

"A Second Brain enables you to recall everything you might want to remember so you can achieve anything you desire."

"So many of us share the feeling that we are surrounded by knowledge, yet starving for wisdom."

"Technology doesn't just make notetaking more efficient. It transforms the very nature of notes."

- Your Second Brain will probably be made up of a set of tools/apps—such as a note-taking app, calendar, email, to-do list, etc—to store/retrieve critical information. This *frees up your mental capacity*, so you can be more creative, productive, and focus your energy on achieving your goals in life.

Capabilities and Benefits of a Second Brain

A Second Brain has 4 key capabilities you can rely on:

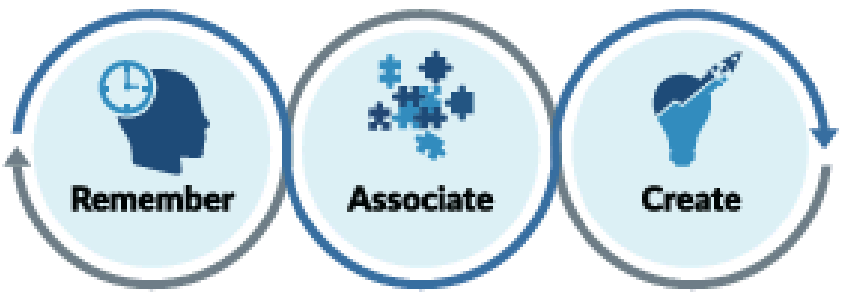
- It *makes ideas tangible* by giving them a visual, external form, making it easier to observe, rearrange, edit, or combine the ideas.

- It *unveils connections between ideas*. When diverse ideas are placed together, we're more likely to notice unusual patterns. We can also shuffle and combine the ideas creatively, like forming words in a game of Scrabble.

- It *nurtures ideas over time*. We tend to focus on ideas that are recent or accessible, regardless of their actual value. With a Second Brain, we can gather and incubate ideas to develop better insights and solutions over time.

- Often, we get stuck not because we lack skills/talent, but because we lack sufficient material to spark our imagination or convince others. The Second Brain provides a wealth of resources (e.g. stories, examples, images, statistics, quotes, analogies) to let you *present your views and ideas convincingly*.

Knowledge is the most valuable asset for modern professionals. A Second Brain helps you to manage personal knowledge in 3 stages.



- It serves as a memory aid to help you *remember* things (e.g. facts, important dates, project details), and retrieve them easily in the future.

KEY QUOTES

"Only when we declutter our brain of complex ideas can we think clearly and start to work with those ideas effectively."

"In its most practical form, creativity is about connecting ideas together, especially ideas that don't seem to be connected."

"If it feels like the well of inspiration has run dry, it's because you need a deeper well."

"Our intuitive mind learns, and responds, even without our conscious awareness."

- It serves as a thinking tool to help you *associate* ideas and see things from fresh perspectives.
- It serves as an innovation tool to help you combine different ideas and *create* something new and unique.

The CODE Method to Remember What Matters

The CODE System involves 4 steps—Capture, Organize, Distill, Express—to help you develop a Second Brain systematically.

1. Capture what Resonates

Save noteworthy information that resonates with you, and store them in a location you can control.

For centuries, intellectuals, artists and successful people have kept notebooks, sketchbooks, or journals where they recorded their thoughts and reflections. These served as personal knowledge banks where they could return to build on their content and ideas.

- For *example*, famous music artist, Taylor Swift, uses her phone to capture and edit lyrics, melodies and new song ideas on the go. Other songwriters often compile "hook books" of song lyrics and music, software engineers build "code libraries", and lawyers keep "case files".
- Recording knowledge in a concrete form yields several *benefits*:

  (i) It's *easier to remember information* written in your own words;

KEY QUOTES

"Creative people are better at recognizing relationships, making associations and connections."
—Nancy C. Andreasen

"Information isn't a luxury—it is the very basis of our survival."

"Notetaking is the easiest and simplest way of externalizing our thinking. It requires no special skill, is private by default, and can be performed anytime and anywhere."

(ii) It's *easier to review ideas* objectively from a distance (instead of reacting impulsively to them); and

(iii) It allows you to examine, connect and experiment with the ideas to *realize their full potential*.

A knowledge bank should contain both external and internal knowledge. These include:

- *External content*, e.g. highlights from your readings, digital bookmarks, meeting notes, or voice memos; and
- *Internal content*, e.g. insights, reflections, memories, random thoughts, or personal experiences.
- However, *exclude* sensitive information (e.g. passwords, tax records), or large/special format files (e.g. photoshop files).

To decide what to capture, consider if the content is (i) inspiring, (ii) useful, (iii) personal, and (iv) surprising enough to spark new ideas.

- Don't overanalyze it. *Follow your intuition* to decide if an idea is noteworthy and resonates with you. Identify the topics or problems that intrigue you the most, and let them guide you on what information to capture.

  (i) Examine the things that fascinated you since young, and phrase them as open-ended questions.

  (ii) Then, carry the list with you to fuel your curiosity, connect seemingly-unrelated ideas, and find novel solutions.

- Save only the *most valuable parts* of the content, and capture them succinctly using bullet points, quotes, or short sentences.
- *Other useful information* to capture include: links to the original sources, chapter titles, headings, publication dates, and even contradictory ideas that challenge your beliefs.

Here are some additional tips for capturing information:

- There are many *tools* you can use to record digital content easily. You can find a list of recommended tools on the author's website. Some examples include:

KEY QUOTES

"Thinking doesn't just produce writing; writing also enriches thinking."

"The more economical you can be with the material you capture in the first place, the less time and effort your future self will have to spend organizing, distilling, and expressing it."

(i) Read-later apps to bookmark online content for review later;

(ii) Web-clipper apps to capture parts of web pages;

(iii) Audio/voice transcription apps and ebook apps for exporting transcripted text, notations or highlights;

(iv) Notes apps for saving text snippets; and

(v) Social media apps for "favoriting" and exporting content.

- The key is to *consolidate your notes in 1 place*. Ideally, choose a note-taking app that:

(i) Can store multimedia content (images, sketches, audios);

(ii) Is easy to use (no need for complex steps or formatting);

(iii) Is open-ended (so you can add content anytime);

(iv) Is action-oriented (i.e. you can jot down random thoughts).

There are many great apps like Microsoft OneNote, Google Keep, Apple Notes, Notion and Evernote. To keep things simple, start with an app you already have and upgrade it along the way.

2. Organize for Action

As you accumulate more notes, you'll need to organize them. Categorize the materials according to the active projects that you're working on, or how they'll help to achieve your goals.

Organize the information by purpose or action, not generic categories. This gives you greater clarity and motivation to move toward your goals.

- For *example*, famous dance choreographer Twyla Tharp uses labelled boxes as her Second Brain.

(i) Each time she starts a new choreography project, she writes its name clearly on a box, and specifies the goal upfront (e.g. "perfection" or "keep it simple") to keep herself on-track.

(ii) Whenever she comes across useful materials (e.g. pictures, videos, costume inspiration, personal ideas), she

KEY QUOTES

"Think of your capture tools as your extended nervous system, reaching out into the world to allow you to sense your surroundings."

"Organizing for action gives you a sense of tremendous clarity, because you know that everything you're keeping actually has a purpose."

deposits them in the relevant box. Thereafter, she can revisit the boxes anytime to work on a project or learn from past projects.

Forte created the PARA Organizing System to reflect 4 key types of information around us: Projects, Areas, Resources, and Archives. Use this system to file your information where it's the most useful or actionable.

- *Projects* are the short-term items that you're actively working on right now. These could be items that are on your to-do list, or just something on your mind to follow up on.

  (i) Such projects could be work-related (e.g. creating a presentation slide deck), personal (e.g. planning your vacation), or side projects (e.g. researching a new sofa).

  (ii) Each project comes with (a) a specific timeline and (b) concrete targets or outputs.

- *Areas* are personal or professional responsibilities to be managed over the long-term, e.g. health, finance, recruitment.

  (i) These are not project-specific. They don't have specific goals or timeframes, and aren't immediately actionable.

  (ii) However, they may include smaller projects, e.g. under the area "health", you may be working on a project to "lose 5 kg".

- *References* are topics or information that don't belong to a project/area, and aren't immediately actionable, but could be useful in the future. Examples include: hobbies/interests (e.g. poetry, movies, or home decor), research topics (e.g. nutrition or note-taking), and useful references (e.g. holiday gift ideas, stock photos).

- *Archives* are inactive items from the other 3 categories that you no longer use, e.g. finished projects or hobbies you've lost interest in. Move them to this container to organize your workspace without losing any information.

The PARA classification is universal, i.e. you can use it for *any* information. It's also arranged in order of actionability, with Projects being the most concrete and actionable.

- You can replicate this organizing system across *multiple softwares, apps, or platforms*. For example, you may use PARA

KEY QUOTES

"We don't need complex, sophisticated systems to be able to produce complex, sophisticated works."

"PARA isn't a filing system; it's a production system...The whole system is constantly shifting and changing in sync with your constantly changing life."

to label your 4 main folders or categories, and create unlimited number of sub-folders or sub-categories under each one.

(i) When you finish a project, move it to your archives to clear your workspace (and consequently your mental space).

(ii) Each time you start a new project, go through your archives to look for relevant materials from past projects.

- Your notes should *evolve* as your goals change. For example, you may initially file a note about coaching under "Resources" when you attend a course, but later move it to "Projects" when you're creating your own coaching program.

- The key is to create containers that are *easy to understand, use, and maintain*. Make sure that you can move the contents without losing them.

KEY QUOTES

"PARA is a dynamic, constantly changing system, not a static one."

3. Distill the Essence

Our initial notes are like raw materials that must be processed and refined before they can become valuable assets. Filter your notes down to their essence, so you can find, use and share the ideas easily in the future.

Most ideas and information we acquire can't be used until much later. By the time we need those ideas, we've usually forgotten them, or can no longer find the idea amongst tons of notes. To keep ideas discoverable, we need to distill the core ideas into just 1-2 sentences, or a form that our future selves can find/grasp quickly. It's like how Einstein summarized his insights about energy into the well-known equation $E=MC^2$.

You can use Forte's Progressive Summarization Technique to extract the most important points from your notes.

- Basically, you *highlight your notes in layers* using different formats (e.g. bold, underline):

  (i) Highlight *chunks of text* in your raw notes, to help you revisit your notes in detail, or to find a specific point. Add a link to the original source for future reference.

"Notetaking is like time travel—you are sending packets of knowledge through time to your future self."

(ii) Then, bold the *key words or phrases* that indicate what the note is about, what's the author's key message, or what resonates with you.

(iii) If the note is very long or important, add a 3rd layer by underlining *valuable points*.

(iv) If the note is truly valuable, add an *executive summary* in bullet points, using your own words. Put this at the top of your note so you can revisit it quickly.

- This approach allows you to retain the original details while making the key points more prominent. You can *zoom in or zoom out* depending on the amount of time and details you need, and there's no risk of losing important information as you distill the key points.

Each time you add highlights, headings, bullets, and comments to your notes, you're making your notes more discoverable and useful for your future self.

- Here are *3 rules of thumb* for highlighting:

(i) Don't overthink the process. *Just go with your intuition* on what's important.

(ii) Highlight no more than *10-20%* of the previous layer.

(iii) Don't start highlighting until you're clear on the *purpose* or what you'll use the notes for.

- In the book, Forte shows how this method can be used in a wide range of applications, from online articles to podcasts/ audios and meeting notes. Many *top creative minds* use distillation to enhance their art forms. For example:

(i) Renowned film director Francis Coppola has the habit of making notes as he reads a long storyline. He jots down his impressions and annotates the parts that resonate with him, before distilling and reconstructing them into unique ideas for directing blockbuster films.

(ii) In the painting *Picasso's Bull*, Pablo Picasso literally showed what it meant to deconstruct something down to its most essential form. He used a series of 11 images

KEY QUOTES

"Speed is everything when it comes to recall...the faster you can move through your notes, the more diverse and interesting ideas you can connect together."

"In making decisions about what to keep, we inevitably have to make decisions about what to throw away."

"As you distill your ideas, they naturally improve, because when you drop the merely good parts, the great parts can shine more brightly."

to portray a bull, including a version with layers of paint and a version where the bull was captured in just 1 simple, continuous line.

4. Express your Ideas

Show your work and test your ideas frequently to get feedback. Create a system to store and build on your intermediate work.

Information only becomes true knowledge when you apply it. Don't wait for complete or perfect information. Regularly test your ideas in small chunks, e.g. to critique or teach an idea, lobby for a cause, or create a solution.

- This allows you to *gather feedback*, and iteratively test/refine your ideas until you achieve your goals. The process also allows you to draw inspiration from external sources and combine them with your own ideas/experiences to create something new.

- For *example*, award-winning science-fiction writer Octavia Estelle Butler sought inspiration from her daily life, travels and readings. She always carried a notebook with her and recorded the smallest details, from her grocery lists to ideas for her stories. She distilled, modified, and added to those notes until they became masterpieces of science-fiction.

Your work-in-progress—including your notes, outlines, drafts, and feedback—contains valuable insights that could be reused in future. Use your Second Brain to capture these "Intermediate Packets" or IPs so they won't go to waste.

- Your IPs are the *building blocks* that make up your work. For example, a salesperson's work can be broken down into making calls, sending pitches, meeting clients, and closing deals.

- IPs can come in the form of online bookmarks, diary entries, social media content, old conference notes, etc. You can create and recycle at least *5 types of IPs*:

  (i) Notes that you've distilled from Step 3;

  (ii) Ideas discarded from past projects;

KEY QUOTES

"Information becomes knowledge—personal, embodied, verified—only when we put it to use."

"If there is a secret to creativity, it is that it emerges from everyday efforts to gather and organize our influences."

"Use what you have; even if it seems meager, it may be magic in your hands."
—Octavia Butler

"[IPs reframe] creativity as an ongoing, continual cycle of delivering value in small bits, rather than a massive allconsuming endeavor that weighs on you for months."

(iii) Work-in-progress (e.g. graphics, plans) from past projects;

(iv) Completed work that you can use as a building block; and

(v) Documents or knowledge assets from others. You should give credit or acknowledge those sources in your final work.

- When you break down complex work into smaller IPs, it brings *several benefits*. You can:

  (i) Focus your attention on 1 manageable chunk at a time;

  (ii) Make use of small pockets of time to finish chunks of work;

  (iii) Get more frequent feedback to improve your progress; and

  (iv) Connect your IPs in creative ways, like LEGO blocks.

- There are 4 ways to *find or retrieve relevant IPs*:

  (i) Use the search feature in your notes app;

  (ii) Browse your folders manually;

  (iii) Create tags for your notes/materials (then search by tags); and

  (iv) Rely on serendipity or calculated chances to find what you need. Scan at a broad level by looking across a range of projects, areas and resources, and selectively reviewing your notes. Look at saved images to tap into the visual parts of your brain, and share your ideas to get feedback and fresh perspectives.

Improving your Creative Process with CODE

Creativity doesn't happen randomly. The best creative minds strategize and develop habits that allow them to continually collect, process and combine raw materials to find new inspiration. By the time they sit down to create something, they already have the ingredients in place. The 4-step CODE Method is designed to standardize how you work, so you can concurrently maximize your creativity *and* productivity.

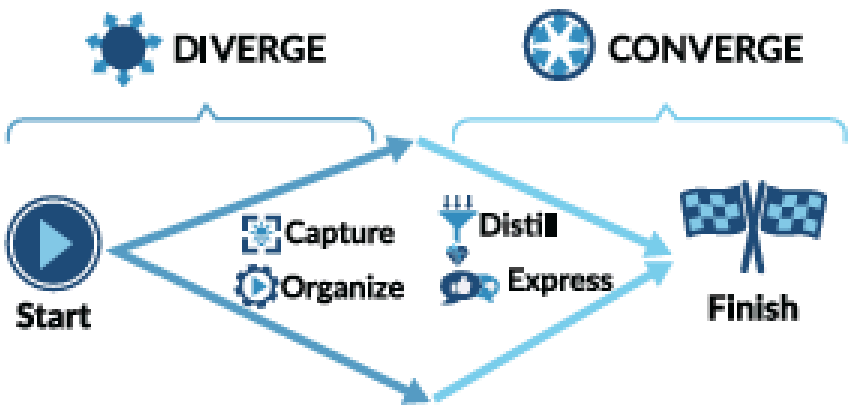
KEY QUOTES

"Like LEGO blocks, the more pieces you have, the easier it is to build something interesting."

"Innovation and problem-solving depend on a routine that systematically brings interesting ideas to the surface of our awareness."

The Divergence-Convergence Loop

Every creative process involves alternating between divergence and convergence in an ongoing loop.



- *Divergence* is about expanding your possibilities by gathering a wide range of ideas/options and discussing them openly. This relates to the first 2 steps of the CODE method: to Capture and Organize ideas, so you can continually build on them.

- *Convergence* is about narrowing down your options to keep only what is essential/valuable, and use it to move toward your end-goal. This relates to the last 2 steps of the CODE method: to Distill and Express your ideas to create something new.

- *For example*, a writer diverges by researching facts/materials and developing potential characters. Then, she converges by drafting an outline, plot points and a first draft, before diverging again to add on new ideas or details.

You can use these 3 strategies to get started:

- Use the divergent mode to collect groups of ideas, then use the convergent mode to *connect the clusters of ideas* and organize them into a logical sequence. Do this digitally, as it's easier to edit, add links, add multimedia or interactive features, search for specific terms, and access the content from synced devices.

- Don't stop work only when you're totally exhausted. Reserve some energy to *power up the next day's work*. At the end of a work session, set aside some time to write down (i) where you're at, (ii) details to remember, (iii) ideas for your next steps, and (iv) what you intend to do next.

KEY QUOTES

"Instead of starting with scarcity, start with abundance—the abundance of interesting insights you've collected in your Second Brain."

This allows your mind to continue working on the task subconsciously, so you'll resume your work knowing exactly what to do. Ideally, share each day's IP for additional feedback.

- We tend to procrastinate when we're faced with an overlycomplex project. *Reduce the scope of your task* by parking the less important parts in your Second Brain. Focus on a small, manageable chunk, and retrieve the extra details later if required. For example, if you want to create a 4-week course, start by creating a free trial lesson.

Build 3 Habits To Keep Your Second Brain Organized

Use project checklists to start and end each project well, and to progressively build up the IPs/building blocks for future projects. Over time, the steps on the checklists should become second nature to you.

- Your *project kickoff checklist* could include:
  - (i) Recording your initial thoughts in a new project folder;
  - (ii) Searching/reviewing old folders to extract useful material;
  - (iii) Transferring useful notes to the current project folder;
  - (iv) Outlining the project;
  - (v) Defining your success criteria;
  - (vi) Doing a pre-mortem to consider what you wish to learn and the potential risks/challenges you may face; and
  - (vii) Communicating with your stakeholders to launch the project.
- At the end of a project, decide what information can be reused in the future and what to archive. Your *project completion checklist* could include:
  - (i) Checking off the project in your apps/lists, and marking the associated goals as "completed";
  - (ii) Reviewing the project IPs and moving them to relevant PARA folders;

KEY QUOTES

"There are habits that can help us be more organized so that our creativity has space to arise."

"Being organized is a habit—a repeated set of actions you take as you encounter, work with, and put information to use."

"Building a Second Brain…is about adopting a dynamic, flexible system and set of habits to continually access what we need without throwing our environment (and mind) into chaos."

(iii) Syncing the contents across all platforms;

(iv) Updating an inactive project's status before archiving it;

(v) Evaluating how far you met your success criteria;

(vi) Doing a post-mortem to consider what you learnt, what you did well, and how you could improve in future; and

(vii) Communicating with your stakeholders to close the project.

Do weekly and monthly reviews of your personal and professional life to decide what to keep/change. As you do your reviews, go through the notes you created that week/month, add titles, and sort them into the PARA folders.

- Use *weekly reviews* to reset your digital workspaces so you won't get overwhelmed. You can clear your inboxes and computer desktop, check your calendar, and set your tasks/priorities for the week.

- Use *monthly reviews* for a more holistic evaluation of your ambitions, priorities and working systems. You can update your goals and project lists, review your areas of responsibilities and "someday/maybe list" to consider if there're tasks or actions that should be reprioritized.

Make mental housekeeping a part of your daily routine. Use every opportunity to notice and capture potentially useful information, then highlight, edit, and organize your notes to make them more discoverable for your future self.

- Don't accumulate mental clutter, then try to set aside time just to clear them. Instead, use your spare time or gaps in your schedule to do *organize your Second Brain daily*.

Conclusion and Other Details in the Book

The Second Brain isn't just about finding/using the best tools. It's about freeing your brain to do what it's designed to do—to connect, innovate, learn, grow, and orchestrate your life. The more you use your Second Brain, the more it changes the way you think and see the world. You'll find yourself feeling calmer and more focused, developing greater self-awareness, and experiencing a fundamental

KEY QUOTES

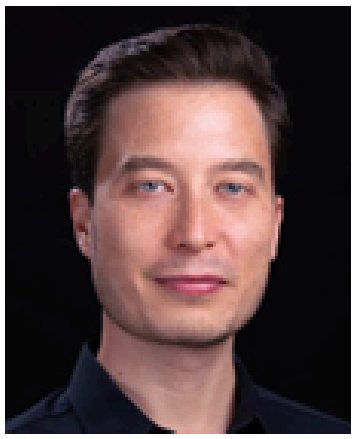
"It's crucial to stay organized, but it needs to be done a little at a time in the flow of our normal lives."

"The purpose of knowledge is to be shared. Knowledge is the only resource that gets better and more valuable the more it multiplies".

mindset shift (i) from scarcity to abundance, (ii) from consumption to creation, and (iii) from stress/obligation to serving and sharing with others,

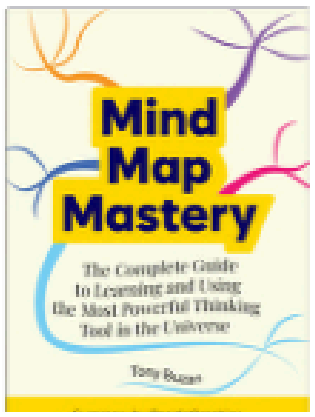
The book is packed with examples and tips to help you to understand and apply the CODE Method to create and maintain your Second Brain. You can find more resources (such as the recommended tools/apps and tips for tagging) from https://www.buildingasecondbrain.com or https://fortelabs.com.

About the Author



Tiago Forte is an author, entrepreneur, and consultant, best known for his research and teachings on productivity. He's the founder of productivity consultancy and training firm Forte Labs (fortelabs.co). He has worked with many global organizations, and taught thousands of people to improve their personal effectiveness, productivity, and creativity.

KEY QUOTES



MIND MAP MASTERY

The Complete Guide to Learning and Using the Most Powerful Thinking Tool in the Universe

Tony Buzan

The Big "So What"

This book is a comprehensive guide on how to use Mind Maps to tap into your brain's multiple intelligences and realize your true potential.

Introduction

Mind Mapping is a technique that visualizes concepts, ideas, and information radiating from a central theme. It promotes intuitive and associative thinking, making it a powerful tool for creative thinking, concentration, information processing, and memory improvement. It can even help to counter Attention Deficit Hyperactivity Disorder (ADHD) and combat dementia.

A Brief History of Mind Maps

Since ancient times, humans have used images to express themselves and to organize information visually and hierarchically.

- For example, *ancient civilizations* categorized knowledge and philosophical concepts using tree structures. During the *Medieval and Renaissance periods*, scholars and thinkers used diagrams and memory systems to visualize and organize knowledge.

- In the *20th century*, Tony Buzan formalized and popularized Mind Mapping. Drawing from psychology, neurophysiology, and creative thinking, he established specific elements and principles that enhanced the effectiveness of Mind Maps for learning and thinking.

KEY QUOTES

"Your brain is a sleeping giant, and Mind Map Mastery is here to help wake it up!"

"A Mind Map is a revolutionary thinking tool that, when mastered, will transform your life. It will help you process information, come up with new ideas, strengthen your memory, get the most out of your leisure time and improve the way you work."

Since the 1960s, Mind Mapping has evolved from a manual, paper-based technique to a versatile digital tool utilized in various fields, from education to business, project management, and personal development. It has been adopted by hundreds of millions of people worldwide.

- Unfortunately, Mind Mapping is often *misunderstood and misapplied*, which prompted Buzan to write this book. He wanted to clarify the fundamentals of Mind Mapping, and protect the integrity of this tool so more people can continue to benefit from it.

- In this summary, we'll present the key ideas in *2 parts*:

  (i) Mind Mapping Fundamentals; and

  (ii) Applying Mind Maps effectively in your life.

Part 1: Mind Mapping Fundamentals

How/Why Mind Maps Work

The Mind Map is built on Radiant Thinking principles which mirror how the brain works.

- Human thinking is *non-linear, associative, and multi-dimensional*. When you think of the word "orange", you visualize the fruit, its color, taste, and scent, rather than its spelling. Each idea naturally leads to many others, allowing our brain to make infinite connections.

- The Mind Map mimics this *organic and multi-dimensional* thought process.

  (i) A Mind Map centers on a core idea, with primary branches representing related themes or categories.

  (ii) These branches radiate outwards and sub-divide into smaller branches, just like how thoughts and ideas branch out and interconnect in the human brain.

KEY QUOTES

"Through the use of associated logic, Mind Maps delve right to the heart of the matter. They also allow you to see the bigger picture."

"The human brain does not think in toolbars, menus and lists; it thinks organically."

"Human Language can be externalized. And when it is externalized in its purest form, it creates a Mind Map."

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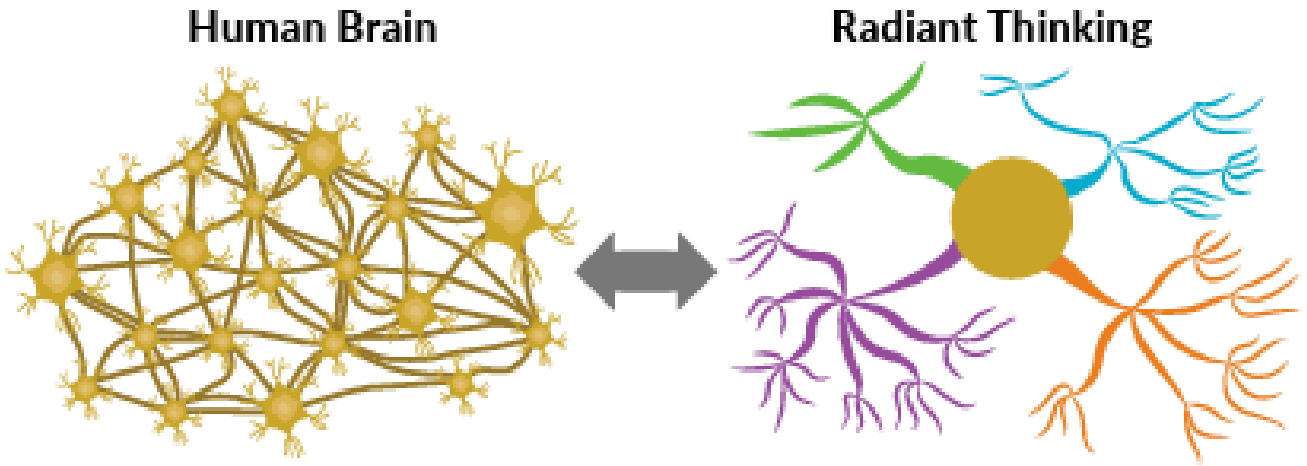
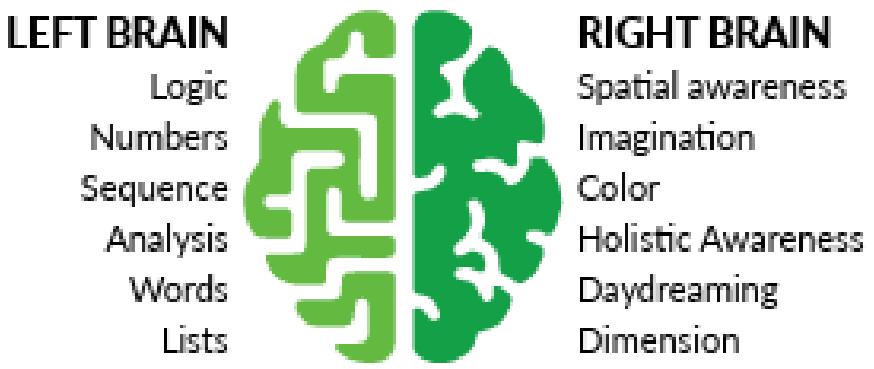


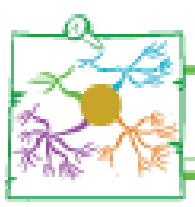
Mind Mapping harnesses whole-brain thinking. It engages both (i) the logical, analytical left brain and (ii) the creative, visual right brain, to boost creativity, memory, and learning.



It uses several ingredients to tap into our brain's natural processes:

- *Keywords and images* (rather than lengthy sentences) to make information easier to remember and recall;
- *Colors and visuals* to enhance memory and distinguish between categories/layers of information;
- *Associations* across diverse ideas to spark creativity.

Mind Maps are deeply personal. Your Map's structure, color choices, and connections mirror your unique thought patterns and understanding of the subject.



How To Create a Mind Map

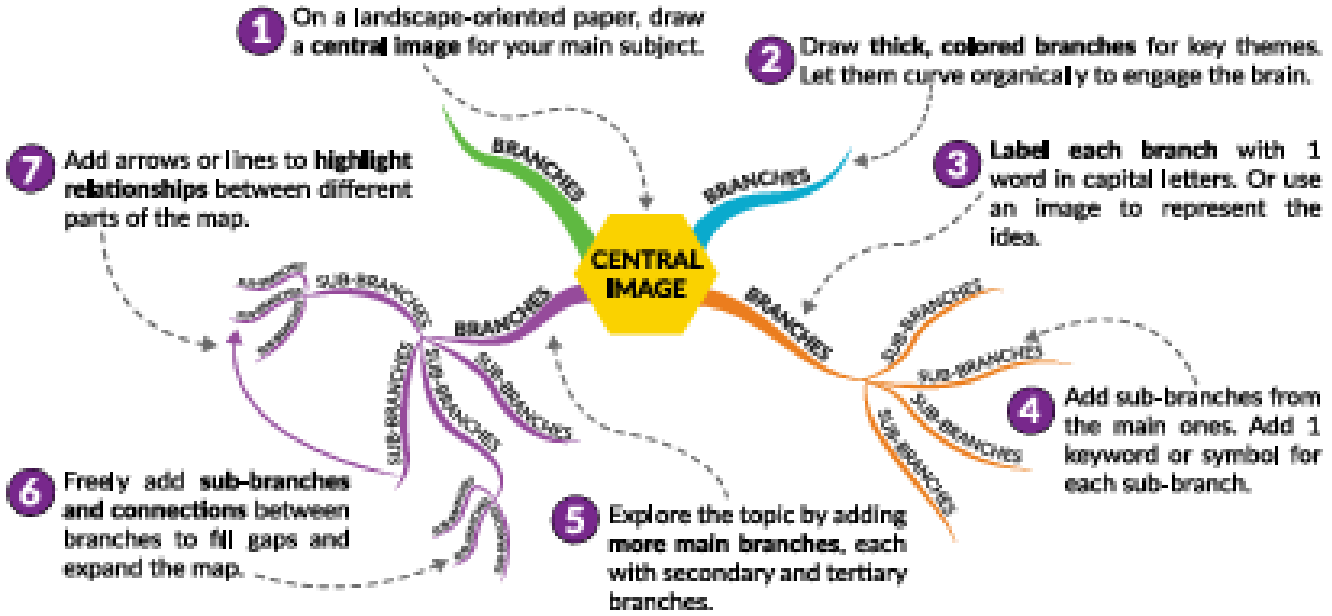
Follow these 7 steps to draw an effective Mind Map.

- On a landscape-oriented paper, draw a *central image* that represents your main subject, using at least 3 colors.

KEY QUOTES

"Through the use of colour and images, a Mind Map engages the brain and imprints itself on the memory."

- From the central image, draw *thick, colored branches* to represent the main themes. These branches should curve organically to engage the brain more effectively.
- *Label each branch* with a single CAPITALIZED word or an image.
- Add *secondary and tertiary branches*, with accompanying keywords or symbols.
- Explore the subject by *adding main branches* around the central image, each with its secondary and tertiary branches.
- Let your thoughts flow. As ideas emerge, add *new sub-branches and connections*, to fill the gaps and expand the Mind Map.
- Link different sections of the Mind Map with arrows or lines to show *connections or relationships*.



You can enhance your initial map by adding details, facts, or themes, to deepen understanding and recall.

The Laws of Mind Mapping

Apply these Laws for a structured, effective approach to Mind Mapping.

- Begin with a *blank, landscape sheet* of paper with ample space for branching out.
- In the center, place a *colorful central image* that represents your main subject. Use at least 3 colors. The image can be

KEY QUOTES

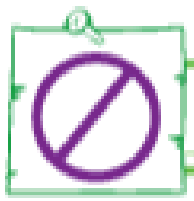
"One word per branch of your Mind Map will make your brain really engage with the subject and go to the heart of the matter. It will give your brain a hook on which to hang a memory."

"Mind Mapping will broaden the horizons of your thinking and will offer you the means to boost your mental accuracy, insight, creativity and freedom of thought."

"'Negative' space in artistic creations helps to define the boundaries of the object and adds balance to a composition."

simple; just make sure it's colorful, vibrant, and illustrates your topic.

- Use *visuals*—images, symbols, codes, and dimensionality—throughout your map to make it more vivid.
- *CAPITALIZE keywords* for emphasis.
- Give each keyword or image its *own branch* for clarity.
- *Branches should flow out from the center*. They should be thicker at the base and taper off as they branch out.
- Match the *length of the branches* to the size of the words/images they carry.
- Develop a *color code* for themes, and use it to differentiate and highlight different areas.
- Use lines or arrows to *link associated ideas*.
- *Use spacing strategically*. Leave some space between branches for clarity, and leave room for additional topics or ideas.



What a Mind Map Is Not

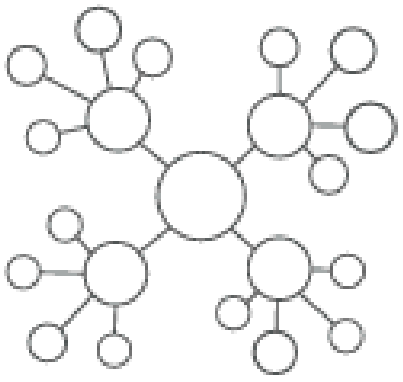
Mind Maps are often confused with other diagrams used by historical figures like Porphyry, Leonardo da Vinci, and Sir Isaac Newton. These alternatives lacked the specific characteristics of Mind Maps, such as central images, color coding, and radiant thinking. For example:

- *Spider diagrams* are typically linear and lack Mind Maps' color and imagery.
- *Concept maps* are usually linear, designed for rote memorization rather than creativity.
- *Pyramid diagrams* emphasize hierarchy in a top-down structure, lacking Mind Maps' freeform connectivity.
- *Fishbone diagrams* focus on linear cause-and-effect without the creative engagement of Mind Maps.
- *Sunburst charts* are centered around data representation, and are not suited for creative ideation.

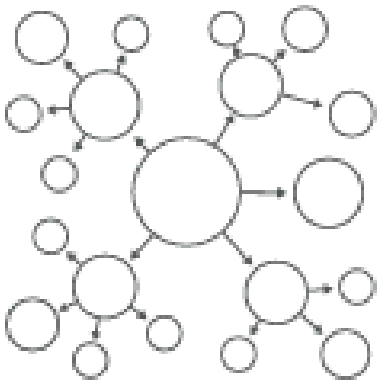
KEY QUOTES

"The more visually exciting your Mind Map, the better your results will be."

"Ensure that you never confine your thinking to a linear prison. A good Mind Mapper remains free."

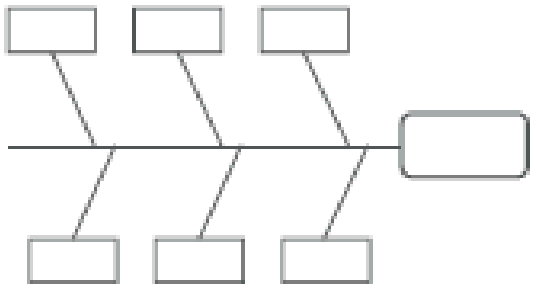


Spider diagram

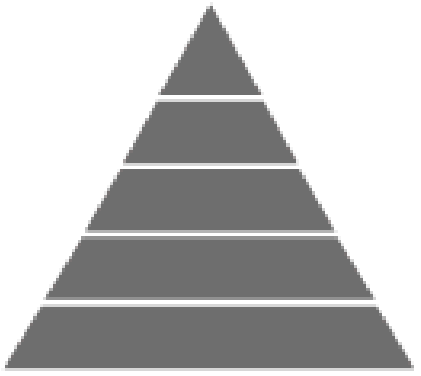


Concept map

Sunburst chart



Fishbone diagram



Pyramid diagram

A true Mind Map must meet *all* the Laws:

- ☑ Have clear central topic
- ☑ Have a central image that encapsulates the topic
- ☑ Radiates from the center One word or image per branch
- ☑ Use of visuals and color throughout
- ☑ Ideas are clearly presented
- ☑ Ideas flow organically
- ☑ Is visually appealing

Additional Tips for Mind Mapping

If you get stuck while creating your Mind Maps, start by revisiting the Laws above to check if you got the basics right. Use these strategies to address common issues:

- Ensure your central idea is *well-articulated*. A good topic or question should be clear, stimulate imagination and association, encourage open-ended exploration and critical thinking.
- Use clean, clear lines, and *simple, impactful images*. Check if your central image is colorful, eye-catching, and triggers associations in your mind. Leave ample space for ideas to stand out.

KEY QUOTES

"A Mind Map's use of colour, imagery and visual connections is informal, organic–and essential to its proper functioning."

"A Mind Map's structure mimics the brain's network of synapses and neural paths."

"A Mind Map always works when it is worked well."

- If your Mind Map seems crowded, create sub-maps or *"child" maps* to explore sub-topics without cluttering the main Map.
- *Embrace a "messy" Mind Map* as part of the creative process. Use it as a draft for refinement in subsequent versions.
- Watch out for keywords that appear on multiple branches. Such *repeated keywords* signal importance. Highlight them, and consider refocusing your Mind Map around these pivotal words.
- If you're *feeling indecisive*, weigh your options using a Mind Map. If that fails, then trust your intuition—toss a coin, observe your emotional response to the outcome, then use that to guide your decision.
- *Persist and iterate*. If a Mind Map doesn't resonate with you immediately, see it as a learning opportunity. Consider why it's not working for you, then try again.
- You can even use Mind Maps to *tackle persistent issues*. State the problem as the central idea, then branch out to explore potential solutions, support mechanisms, and action plans.

KEY QUOTES

"Through repetition, a keyword becomes a key key word or even a key key key word."

"It is always better to be proactive and to do something than to wallow unproductively in the pit of inertia."

"Persistence is key in Mind Mapping, and I would urge you to 'try, try and TRY again'!"

Use these additional tips to make your Mind Maps even more effective:

- *Don't cross out content* on your Mind Map. Instead, use ticks or positive symbols to signify that you've completed something.
- Work in *20-minute focused sessions*, followed by short breaks to keep your mind sharp and clear.
- As you learn and grow, continuously *refine and update* your Mind Maps with fresh insights and goals.
- Continuously *adapt and update* your Mind Maps as new insights emerge or as your objectives evolve.
- *Experiment* with different layouts, structure, symbols, colors, styles, and images, to find what works for you.
- Integrate Mind Mapping into your daily routine, and *make time* to practice and hone your skills.
- Combine concise *keywords with vivid visuals/colors*, to engage both the verbal and visuals aspects of your brain.

Part 2: Using Mind Maps Effectively In All Parts of Your Life

Benefits of Mind Mapping

Mind Maps can be used in all areas of life, with many benefits.

- They provide a *clear, visual overview* of a topic, making complex information easier to understand.
- They make it easier to *plan and organize* tasks, events, and schedules by visually arranging steps, priorities, and goals.
- They facilitate *knowledge and management* by serving as a repository that's easy to navigate.
- They boost *creative thinking* by stimulating imagination, innovative thinking and creative problem-solving.
- They are excellent study aids, to highlight key information for *learning and memorization*.
- They encourage *deep focus* on specific topics, to improve engagement and outcomes.
- They make *presentations* simpler and clearer, to ensure essential points are effectively communicated.
- They support *leadership and management* tasks, such as setting agendas, and managing meetings with visual overviews.
- They offer a dynamic way to plan and present *training programs*, as an alternative to text-heavy materials.
- In *negotiations*, they assist in outlining options, strategies and potential outcomes to facilitate win-win results.

KEY QUOTES

"By marrying words and images, and by mirroring the workings of the human brain in its combination of logical and creative input, the Mind Map is the perfect tool for our globalized 21st century."

"The Mind Map is a natural evolution of human thinking."

Applying Mind Mapping in Daily Life

There are 3 phases to successful Mind Mapping:

- *Acceptance*: Set aside any preconceptions about your abilities, and embrace the Laws of Mind Mapping with an open mind.

- *Application*: Use the laws to create Mind Maps in different contexts, such as note-taking, decision-making, or learning new skills. Make it a part of your daily life.

- *Adaptation*: Once you've created hundreds of Mind Maps and mastered the fundamentals, you can customize the approach to better suit your unique needs. For instance, you can adopt advanced applications, such as using Mind Maps for conflict resolution. This could involve (i) creating joint Mind Maps to explore perspectives and find common ground, or (ii) using a color-coding system to identify individual contributions and combined solutions.

In the book, Buzan walked readers through 6 key areas of Mind Map applications: for home, work, education, creativity, well-being and memory. In each area, he suggested numerous ways to use Mind Maps to achieve your goals, including detailed examples and sample Mind Maps. Use this as a foundation to explore the best ways to apply Mind Maps in your personal and professional life. Seek to master the basics, then move into advanced applications.

- *Home*: Use Mind Maps to plan personal goals, organize weekly activities, parties or vacations. Brainstorm solutions to household problems, or to enhance relationships. Examples of advanced applications include:

  (i) Facilitating communication and understanding between partners, resolving conflicts, and planning for shared goals.

  (ii) Organizing and managing the complexities of moving house, from sorting belongings to changing addresses and utilities.

- *Work*: Conduct research, write reports, improve time management and project management through Mind Mapping. Examples of advanced applications include:

KEY QUOTES

"Mind Maps can always help you find the right path–all you need to do is persevere."

"Think about the six aspects YOU would choose if you were to make a Mind Map representing the key areas in your own life."

(i) Creating a compelling CV by laying out your professional experience, skills, and achievements in a structured way.

(ii) Planning job search strategies, tracking applications, and preparing for interviews.

- *Education*: Use Mind Maps for study and revision, essay planning, creativity, and to deepen your understanding of a subject. Examples of advanced applications include:

  (i) Breaking down complex astronomical concepts into more digestible components.

  (ii) Organizing thoughts, research, and content for school projects and group work.

- *Creativity*: Generate new ideas, solve problems, and nurture creativity across all aspects of life with Mind Maps. Examples of advanced applications include:

  (i) Designing a building by visually brainstorming the architectural designs, concepts, and functional planning.

  (ii) Writing a book by structuring plotlines, developing characters, and planning chapters.

- *Well-being*: Plan your nutrition or diet, manage stress, and set fitness goals using Mind Maps. Examples of advanced applications include:

  (i) Exploring various dimensions of holistic health, such as diet, exercise, and mental well-being.

  (ii) Analyzing the roots of personal fears and develop strategies to overcome them.

- *Memory*: Improve memorization and recall, study habits, and learning efficiency with Mind Mapping techniques. Examples of advanced applications include:

  (i) Using Mind Maps as a brain gym to exercise the brain and improve cognitive functions.

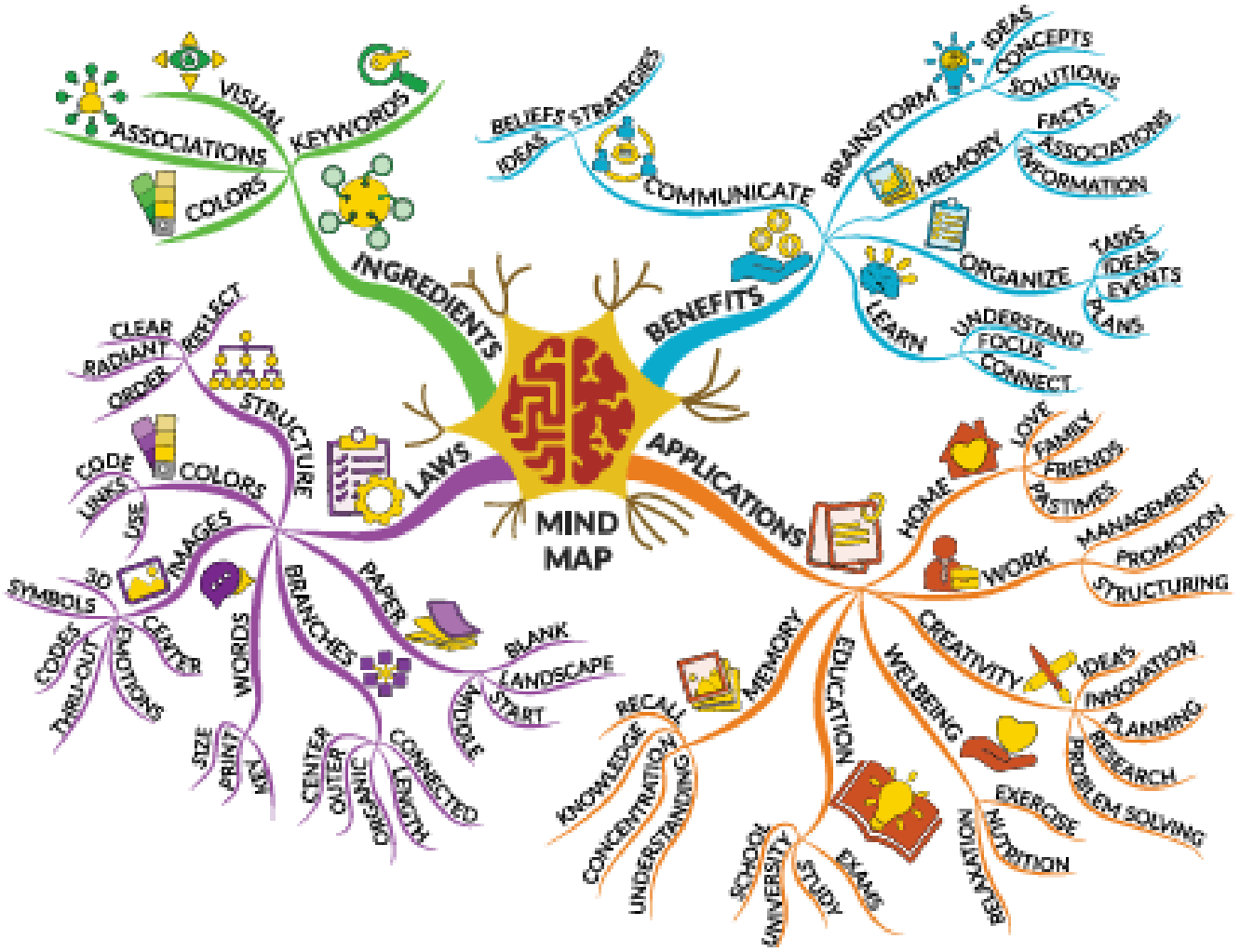
  (ii) Using Mind Maps to dissect and remember key elements of stories, plays, or films, thus improving your ability to recall a plot or storyline.

KEY QUOTES

"Creative thinking isn't the prerogative of geniuses; it is simply the ability to think in original ways and to break away from the norm."

"Make a Mind Map your Number One personal trainer!"

Essentially, there are infinite ways to apply Mind Mapping. Now, let's use a Mind Map to recap the key ideas covered so far in this summary:



KEY QUOTES

"Through its infinite applications, the Mind Map has evolved into a metalanguage: the language of language itself."

Conclusion and Other Details in the Book

Buzan anticipated that Mind Maps would continue to evolve alongside human cognition and technological advancements.

- He encouraged readers to *explore digital Mind Maps* for their editability, shareability, and multimedia integration. However, make sure your Maps adhere to the Laws of Mind Mapping. In collaboration with Chris Griffiths, Buzan also developed the iMindMap software and was venturing into 3D technology to unlock new possibilities.

- At the time of this book's publication, *artificial intelligence (AI)* could process and calculate large amounts of input, but lacked the ability to think or feel with cognitive awareness.

  (i) Buzan argued that real proof of conscious intelligence would come from an AI's ability to master the Laws of Mind Mapping to create Mind Maps, and to demonstrate an understanding of its creations.

"I sincerely believe that the ability to make a Mind Map would act as the ultimate proof of intelligence in a robotic being."

"For all of its advances in recent years, I believe that we are still only at the very beginning of Mind Mapping's digital adventure."

"Instead of using digital technologies to push the parameters of Mind Mapping, Mind Mapping could prove a way to push the potential of AI itself."

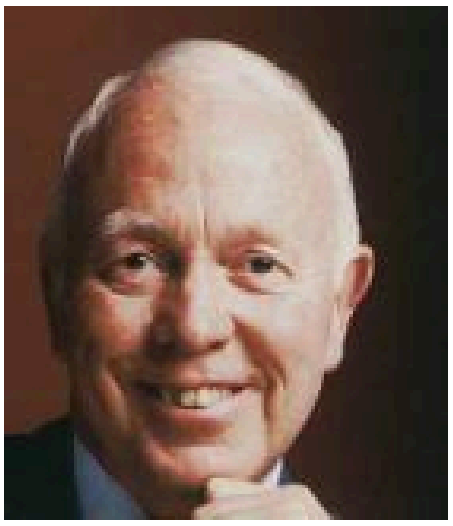
(ii) Instead of using technology to enhance Mind Mapping, he encouraged technologists to apply Mind Mapping Laws to advance AI towards human-like associative and imaginative thinking.

Treat Mind Mapping not just as a thinking technique, but as an art form that empowers you to navigate and excel in life.

- Try making a *"Change Your Life" Mind Map* to consolidate the Mind Mapping skills you've learned, and consider how you can move beyond your current circumstances to achieve your dreams and goals.

The book is filled with details on Mind Maps' origins and evolution, brain exercises, illustrations, and examples, to guide readers in applying Mind Mapping across various domains. For more details and resources, please visit https://tonybuzan.com/.

About the Author



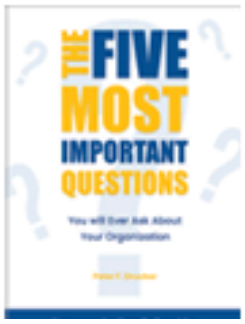
Anthony Peter "Tony" Buzan (1942-2019) was an English author and educational consultant. Buzan popularised the idea of mental literacy, radiant thinking, and the Mind Mapping technique. He was author or co-author of >80 books and wrote widely on subjects on the brain, genius quotient (GQ), memory, creativity and speed reading.

He was also the founder and co-founder of several global mental literacy and cognitive performance initiatives, such as the Brain Foundation, Brain Trust Charity, and the World Memory Championships.

KEY QUOTES

"Once you begin, I know there will be no stopping you."

"As a human being, you are a super biocomputer and your potential is incredible."



THE FIVE MOST IMPORTANT QUESTIONS

YOU WILL EVER ASK ABOUT YOUR ORGANIZATION

BY PETER F. DRUCKER
with Jim Collins, Philip Kotler, James Kouzes, Judith Rodin,
V Kasturi Rangan, and Frances Hesselbein

The Big "So What"

For many years, non-profit organizations felt that a good cause alone was enough. However, precisely because they don't have a bottomline like profit organizations, it is even more important that they are well-managed. This book provides a self-assessment process to address crucial fundamentals of what you are doing, why you are doing it, and what you must do to improve your organization's performance.

The Importance of Self-Assessment

Self-assessment is crucial to any individual or organization that's committed to becoming a leader.

It forces the organization to focus on its mission. The self-assessment process will lead to the formation of a plan, and planning is an ongoing process (not a one-off event). It requires that you make the best possible decisions today to achieve results tomorrow, to constantly review what works and what doesn't work, so adjustments can be made in light of ongoing changes.

It requires that you listen to your customers. A non-profit organization cannot support every good cause that it encounters. Instead, it must address what its customers (be it a student, donor, patient) want and value. In assessing your customers' needs, you cannot simply guess what they want. You need to talk to your customers and get their input.

It involves setting higher standards and encouraging constructive dissent. To become a force for positive change, to build future communities and change lives, you'll need to constantly challenge status quo and push for renewal/ improvement while you're successful. Important decisions should never be made when there's rapid consensus, as this means that people are avoiding the difficult discussions and decisions, and/or objections are being hidden. Instead, encourage different views and constructive dissent.

Key Quotes

"Leadership has no choice but to anticipate the future and attempt to mold it."

"The mission inspires; it is what you want your organization to be remembered for."

"You cannot arrive at the right definition of results without significant input from your customers...The danger is in acting on what you believe satisfies the customer."

"True self-assessment is never finished. Leadership requires constant resharpening, refocusing, never really being satisfied."

These ideas are expanded upon in the 5 essential questions for self-assessment outlined below. The 5 questions by Drucker have withstood the test of time, and are presented in the book alongside additional inputs from other thought leaders.

1 "What Is Our Mission?"

The mission captures the purpose of an organization's existence. It has to encapsulate something that you believe in, at a deep and personal level, such that everyone in the organization understands and lives it.

In defining your mission, you must consider:

- Your present mission
- Your challenges
- Your opportunities
- Whether your mission must be revisited

For non-profit organizations, changing lives must be at the core of their missions. An effective mission statement:

- Is broad and focuses on shaping the future;
- Is so short and focused it can fit on a t-shirt;
- Is centred on "why" and not "how"; and
- Reflects the point where opportunities, organizational competence and commitment converge.

Preserve the core while progressing dynamically

Jim Collins shares that an organization's mission guides it on what to do and what *not* to do. Great organizations concurrently preserve their core, while stimulating progress. They are crystal-clear and unwavering in their mission or core ideology, but dynamic in how they manifest the mission, including changing the operating practices, tactics, strategies, processes, techniques or cultural norms to keep pace with changing realities.

Key Quotes

"A mission cannot be impersonal; it has to have deep meaning, be something you believe in–something you know is right."

"A fundamental responsibility of leadership is to make sure that everybody knows the mission, understands it, lives it."

"The mission transcends today but guides today, informs today."

"Every mission statement has to reflect three things: opportunities, competence, and commitment."

"(People) have a desperate need for a guiding philosophy, a beacon on the hill to keep in sight during dark and disruptive times."
- Jim Collins

Human beings have a fundamental need for belonging and a deeper sense of purpose. As the world becomes more disruptive and unpredictable, a clear mission helps people to feel that they are standing for something they believe in.

2 "Who is Our Customer?"

Only when you have clearly identified your customers can you focus on satisfying their needs. Yet, leaders are often unsure who exactly their customers are, and / or fail to place their customers as the priority. To identify your customers, ask yourself this question "For my organization to be considered successful, who must be satisfied?"

In defining your customers, consider

- Who your primary customers are
- Who your supporting customers are
- How these customers will change

Primary customers. You should have only *one* primary customer, and this is the customer whose life will be changed due to your organization's work. Drucker gave the example of a non-profit organization that focused on "the person with multiple barriers to employment" – over time, this single definition led them to impact different groups of people, from the physically disabled to single mothers to the chronically ill. Identifying your primary customers gives you great clarity for prioritization and decision making.

Supporting customers. You will have *many* supporting customers - including your employees partners, members, etc. – and you must satisfy all of them. When you change your primary customers, you will also create a different circle of supporting customers.

Know your (ever-changing) customers. Your customers (be it their demographics, numbers, needs etc.) will change over time, as will the opportunities for you to serve them (due to changes in technology, environment etc.). The key is to get to know your customers, and to continuously adapt and learn as they change. You should also examine when to *stop* serving specific groups of customers.

Key Quotes

"You define your customer as one who values your service, who wants what you offer, who feels it's important to them."

"Our business is not to casually please everyone, but to deeply please our target customers."
-Philip Kotler

"Your success ultimately depends on what you have contributed to the success of your customers."
-Philip Kotler

Don't attract Customers; Develop Fans

Philip Kotler adds that, it is no longer enough to try and attract customers. The new paradigm of thinking is about choosing your target customers carefully, and satisfying them so well that they become your fans. To do this, you need to:

- Understand the customer buying process - including who is the initiator, influencer, decider and the purchaser - then seek to reach the most influence people in this decision-making process.

- Go beyond data in the customer relationship management process to actually capture and improve the quality of customer experience.

3 "What Does the Customer Value?"

We must understand our customers' needs, wants and aspirations. Yet, these are complex questions that can be only addressed by the customers themselves.

To address this question, consider these about your primary and supporting customers:

- What assumptions you may have about what they value
- What knowledge you must gather to ascertain what they value
- How you can gather this information

Don't assume or infer. In their own eyes and realities, customers always behave rationally; we can only see the logic of their decisions when we see things from their perspectives. To deliver what our customers value, we need to first become aware of our own assumptions or interpretations of what the customers value.

Plan around your customers. To integrate what customers value into your organizational plan, you need to shift the way your organization thinks. Consider your knowledge gaps, then listen and objectively accept what the customers are telling you about their needs and wants. Ensure their voice is an integral part of all your deliberations and decisions.

Key Quotes

"The first rule is that there are no irrational customers."

"Listen to customers, accept what they value as objective fact, and make sure the customer's voice is part of your discussions and decisions, not just during the self-assessment process, but continually."

"People are so convinced they are doing the right things and are so committed to their cause that they come to see the institution as an end in itself. But that's a bureaucracy."

Dare to change the status quo

Jim Kouzes adds that, creating value for the customers means solving their problems. This requires not just an ability to listen, but also the courage to challenge the norms and change what's familiar and stable in your business, to deliver what customer truly want.

4 "What Are our Results?"

In a profit organization, one of the measurements of success is obviously profits. Without it, business is not sustainable in the long run. However, for non-profit organizations, success must be defined and measured differently.

In addressing this question, consider:

- How you currently define results
- If you are really successful
- How you should define results
- What you must enhance or discard

Use qualitative and quantitative measures. You can measure your process and results in both qualitative and quantitative terms. Qualitative indicators look at how deep and wide your impact goes, and can be collected and presented in the form of stories which capture patterns, observations and intangible benefits like "hope" and "inspiration". Quantitative measures involve "hard data" like number and statistics to access if certain standards or goals are met.

Enhance what works and discard what doesn't. With clearly-defined measures, you can identify what you must strengthen, i.e. where to invest resources such that you will get multiple times the results. However, it is equally important to identify what you must discard, without which your resources cannot be optimally deployed. It is not good enough to put resources in an area due to tradition or need – the only reason to invest resources is if it can produce outstanding results.

Key Quotes

"Organizations of the future are relevant and sustainable with measurable results."

"The results of social sector organizations are always measured outside the organization in changed lives and changed conditions – in people's behaviour, circumstances, health, hopes and above all, in their competence and capacity."

"To abandon anything is always bitterly resisted...Yet, abandonment comes first. Until that has been accomplished, little gets done."

Results are both a goal and a test

Judith Rodin points out that, while our long-term mission is important, measurable results in the short term tells us whether our short-term plans are working, and allow us to make midcourse corrections to get better results toward our long-term goals. In other words, results are both a goal in itself, as well as a test of whether we are ontrack to accomplishing our wider mission.

5 "What is Our Plan?"

The process of self-assessment generates a plan, which articulates where you want to be and how you intend to get there. It includes the organization's mission, goals, action steps, budget and appraisal. Since no one can predict the future, the plan needs to keep evolving. Keep asking "What do we want to be remembered for?"

Board vs Management. The board's role is to focus on the mission, goals, resource allocation, and progress review to keep the organization ontrack. The management, on the other hand, is responsible for objectives, action steps and driving results.

Key Quotes

"Planning is not an event. It is the continuous process of strengthening what works and abandoning what does not, of making risk-taking decisions with the greatest knowledge of their potential effect, of setting objectives, appraising performance and results through systematic feedback, and making ongoing adjustments as conditions change."

Goals, Objectives and Budget. An organization should only have a few, and no more than 5, fundamental goals that are approved by the board. Your goals must be rooted in your mission (and by extension, address what opportunities and strengths you'll leverage and where you are going). Your objectives are specific, measurable achievements that will move you towards your goals, including the effective use of the budget approved by the board.

Getting buy-in. Everyone who has a role in the plan should be given the chance to provide inputs – this creates buy-in and understanding of the plan.

In addressing this question, consider:

- If the mission should be changed
- What your goals are

An effective plan comes with 5 ingredients:

Abandonment. Constantly ask "If we were not already doing this today, would we go into it?". If something doesn't work or no longer works, discard it as soon as possible.

Concentration. Focus on what works, and challenge yourself by asking "Can we set and achieve an even higher standard"?

Innovation. Consider the opportunities, emerging issues and conditions of the future, and ask "What do our customers value and how can we make a difference?"

Risk-Taking. Planning inevitably involves decisions and risks. It's a fine line between being too conservative and taking on too much risk, and unfortunately, there's no one-size-fits-all solution.

Analysis. If you are unsure whether to abandon, focus, innovate or take risk, it means you need to conduct further analysis

Key Quotes

"Goals make it absolutely clear where you will concentrate resources for results – the mark of an organization serious about success."

"With genuine participation, a decision doesn't need to be sold...the decision itself becomes a commitment to action."

The plan as the start and not the end

V. Kasturi Rangan highlights that a plan should not be treated as a perfect blueprint for execution. Rather, it is just a starting point for management to refine, adapt and learn. An effective plan:

- Is goal-focused, helping the organization to measure its progress towards its overarching mission.
- Is unwavering in its strategic direction but flexible in execution, with a strong learning focus and constant exploration of possible paths.
- **Has individual ownership and accountability.** The plan should be developed with the involvement of those responsibility for its execution and results. First, name the individuals, then give them autonomy and flexibility to develop the plan that they will eventually be accountable for.
- **Is monitored for improvement.** Not all programs will be equally successful. Close monitoring helps to identify which programs contributed results, which ones didn't, and why, so the lessons can be ploughed back into the design of future programs.

Key Quotes

"While the overarching mission might be broad and inspirational, the operating mission must be narrow enough to allow the organization to measure its progress against goals."

- V. Kasturi Rangan

Transformational Leadership

Frances Hesselbein identified 8 milestones that any organization will cross in the process of becoming a truly effective institution:

Scan the environment to identify and understand major emerging trends that affect the organization;

Review the mission at least every few years, asking the first 3 of the 5 questions to ensure your mission is still on point;

Banish hierarchy, so people are not confined into rigid organizational roles. Use job rotation and other ways to fluidly facilitate the expansion of roles and perspectives;

Challenge "the way things are", to identify sacred cows (e.g. programs, policies, practices etc.) that should be discarded;

Communicate powerfully, by reinforcing a few clear and consistent message to all customers and stakeholders;

Develop organization-wide leadership, such that leadership is a shared responsibility and leaders are developed across all levels of the organization;

Lead by example, with leaders leading from the front as role models of desired behaviours;

Assess performance, using the last 2 of the 5 questions to measure and assess how you are doing.

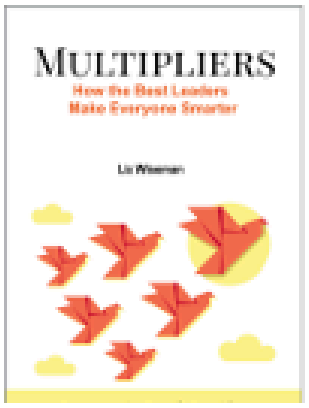
Other Useful Details in the Book to Look Out For

The book was originally written with social or nonprofit organizations as the focus, though the ideas are applicable to any organization or institution that wishes to achieve excellence.

The 5 questions may appear simple, but are certainly not easy to answer. Drucker encourages you to take time to reflect upon each question and allow yourself to consider them carefully. Proper self-assessment could take weeks, if not months to complete, and the process is never finished as leaders constantly refocus and refine.

To aid you in your thinking process and to facilitate discussions, the book comes with a workbook with additional questions and exercises.

Key Quotes



MULTIPLIERS

How the Best Leaders Make Everyone Smarter

LIZ WISEMAN

The Big "So What"

Why do some leaders create a positive impact on people around them while others don't? This book presents the characteristics of Multipliers who amplify the results of people around them (vs Diminishers who reduce others' results). It also lays out practical tips, experiments and steps you can take to become a Multiplier and build a Multiplier culture.

Introduction: The Multiplier Effect

Based on research of more than 150 executives across 4 continents, Wiseman discovered that leaders can be placed on a spectrum between two extremes: Multipliers vs Diminishers.

- *Multipliers* are leaders who bring out others' capability and intelligence. They're "genius makers" who multiply an organization's collective intelligence.
- *Diminishers* are leaders who're so absorbed in their own genius that they stifle others', thus depleting the organization's vital intellectual resources.

Wiseman's research found that managers used on average only 66% of their people's capability. Interestingly, Multipliers get 2x more out of people than Diminishers.

- Multipliers concurrently *extract and expand* people's intelligence. People around Multipliers feel like winners. They're inspired to give 100% of their creativity/effort *and* to stretch themselves beyond their original capacity. By contrast, people around Diminishers get their ideas squashed until they eventually shut down or quit.

KEY QUOTES

This book will show you why [Multipliers] create genius around them and make everyone smarter and more capable."

"It isn't how much you know that matters. What matters is how much access you have to what other people know. It isn't just how intelligent your team members are; it is how much of that intelligence you can draw out and put to use."

This book will show you why [Multipliers] create genius around them and make everyone smarter and more capable."

- Multipliers adopt the *Logic of Multiplication*. They recognize that you can multiply results by leveraging existing capabilities instead of adding new ones. Diminishers adopt the Logic of Addition which assumes a linear relationship between resources and output. They may get the job done, but with a huge waste of resources.

The 5 Disciplines of Multipliers

The difference between Multipliers and Diminishers come from their **difference in mindsets**. Diminishers assume that people can't figure things out without them, while Multipliers assume that people are smart and can work things out. Such assumptions drive their behaviors differently in 5 key ways.

	MULTIPLIERS	DIMINISHERS
ASSUMPTION	"People are smart and can figure things out."	"People can't figure it out without me."
BEHAVIORS / DISCIPLINES	**Talent Magnets** Hire talented people, use/develop them fully, and help them to succeed. People thrive and a Cycle of Attraction is created.	**Empire Builders** Hire talented people but underutilize them. Hoard resources for own gain. Talents are stunted, results suffer, and a Cycle of Decline is created.
	Liberators Create an intense environment that demands people's best performance. They create stability so people are free to think/act boldly and focus on their work.	**Tyrants** Create a tensed environment that crushes people's ability to think/perform. They create anxiety so people act cautiously and are afraid to speak up.
	Challengers Define opportunities in a way that motivates people to stretch themselves beyond existing know-how, discover and execute optimal solutions.	**Know-it-Alls** Define directives, show off their superior insights and tell people what to do. People second-guess the boss and are stuck with what they already have/know.
	Debate Makers Engage people in rigorous debate to arrive at sound decisions. People are challenged, own and understand the decisions made.	**Decision Makers** Make decisions by themselves or their inner circle, dominate discussions and force through decisions, leaving others feeling uninvolved and confused.
	Investors Investors build people's ownership and ability to perform without them. They share insights but give back the accountability.	**Micromanagers** Diminishers try to do everything personally. They jump in and out, creating confusion and overdependence on them.
RESULTS	Get 2X results out of people	Get <50% results out of people

KEY QUOTES

1. The Talent Magnet: Attract and optimize talent

Empire Builders vs Talent Magnets. Both Multipliers and Diminishers seek to attract A-players, i.e. great people with the required talents and abilities for the job. However, they manage these talents differently to create a *self-perpetuating cycle*:

- Diminishers act like *Empire Builders*. They hoard resources and underutilize talents. They bring in top talent to make themselves look good and build their own career, carve out fiefdoms and position themselves as the sole integrator and decision-maker. The A-players are underutilized, their talents stunted, and the team's performance suffers. As word spreads, it gets harder to attract good people and a *Cycle of Decline* is created.

- Multipliers are *Talent Magnets*. They hire talented people, use and develop their strengths fully, and remove obstacles to help people succeed. Both the individuals and team thrive, word spreads that they're the best bosses to work for, and more talents flock to them to create a *Cycle of Attraction*.

Talent Magnets attract and nurture talents with 4 practices.

- They *look for diverse talent everywhere*. Specifically, they:

  (i) *Value all types of talents* (e.g. quantitative analysis, creative problem-solving); and

  (ii) *Ignore organizational boundaries* to seek talents inside and outside the organization.

- They *find and unlock people's native abilities*, be it a knack for connecting people or diagnosing complex issues. They:

  (i) Carefully observe people to *identify what's native* to them, i.e. things that people do (a) easily without conscious effort and (b) freely without condition.

  (ii) *Label the ability* to make it obvious. Talents often don't realize their own genius. Labeling it raises their awareness, confidence and the likelihood that they'll use it.

KEY QUOTES

"The Diminisher is an Empire Builder who acquires resources and then wastes them. The Multiplier is a Talent Magnet who utilizes and increases everyone's genius."

"[Diminishers] actively acquire talent, but then are passive about growing it."

"Talent Magnets live in a world without walls and without hierarchical or lateral restrictions. Instead, they see talent networks."

"Finding someone's native genius is a key that unlocks discretionary effort. It propels people to go beyond what is required and to offer their full intelligence."

- They *utilize people to the fullest*. Specifically, they:

  (i) *Connect people with opportunities* to use their native ability.

  (ii) *Shine a spotlight on them* so others can see them in action. This builds their character and confidence even further.

- They *remove blockers* that hinder people's growth/success:

  (i) *Remove prima donnas* who persistently put their egos over the team's interests (thus hurting team effectiveness).

  (ii) *Get out of the way* if they themselves are the blockers.

To become a Talent Magnet, start by (i) becoming a genius watcher and (ii) weeding out people who're bad for the team. Try these 3 experiments:

- *Name the genius*: Find the native genius of every team member. Or, consider someone hard to work with and ask "in what way is this person smart?"

- *Upsize their role*. Give people a role/project that's slightly bigger than their current capabilities, and let them grow into it.

- *Let superstars go*. When people have outgrown their roles, encourage them to move on. Don't keep them for your own gain. At the same time, don't wait to remove people who're bad for the team.

2. The Liberator: Demand people's best thinking and effort

Tyrants vs Liberators. Diminishers use their hierarchical position to suppress others. Multipliers free people to think, speak up and do their best work.

- Diminishers are *Tyrants* who create a tensed environment that crushes people's ability to think and perform. They insist on their views, shut out others' ideas, dominate the space, and create anxiety by constantly judging others. People are afraid to speak up and act cautiously to avoid coming under fire.

KEY QUOTES

"Removing a highly intelligent employee or leader can be difficult, but it can have huge payoffs...You may lose one mind, but you gain back five. It is a law of numbers."

"The Diminisher is a Tyrant who creates a stressful environment. The Multiplier is a Liberator who creates a safe environment that fosters bold thinking."

- Multipliers are *Liberators* who create an intense environment that demands people's best performance. They're hard on the issues but easy on the people. They provide the stability for people to focus on their work, and make it safe for people to be bold in their thinking and actions.

Liberators balance between the duality of giving people space and demanding their best effort with 3 practices:

- They *create space* for people to perform. They:

  (i) Deliberately *restrain themselves so others can shine*. They guide others to succeed instead of jumping in to do the work.

  (ii) *Listen avidly* with a deep desire to understand and learn from others. In a typical conversation, they spend 80% listening or asking questions instead of talking.

  (iii) *Define a space for discovery*, i.e. specify projects or boundaries within which people can take risks freely.

  (iv) *Level the playing field* so it's easier for disadvantaged parties (e.g. junior staff or people from other teams) to be heard.

- Liberators don't stop at beating a rival or meeting a deadline; they *demand the best work* from their people. They:

  (i) *Uphold the standard* by constantly asking "Did you give you best?" or "Is this your best work?"

  (ii) *Separate best effort from outcomes*, i.e. hold people accountable to their best work instead of insisting on a fixed outcome (which may be beyond their control).

- *Create fast learning cycles* by learning from mistakes. They:

  (i) Openly *admit and share their mistakes*, making it safe for others to also take risks and fail, e.g. they may tell stories about their failures and what they learned in the process.

KEY QUOTES

"An unsafe environment yields only the safest ideas... People's best thinking must be given, not taken."

"How smart you are is defined by how clearly you can see the intellect of others."
—C. K. Prahalad

"As a leader, you have to do more than just not discourage it, you need to actively encourage people to speak up."

"Asking whether people are offering their best gives them the opportunity to push themselves beyond previous limits."

"The highest quality of thinking cannot emerge without learning. Learning can't happen without mistakes."

(ii) *Insist on learning from mistakes*, i.e. it's ok to make mistakes but not make them twice. They invite feedback to improve.

To become a Liberator, try these experiments:

- *Play your chips*. Give yourself a few poker chips, each worth a different amount of talk-time (e.g. 30s, 90s, 120s). Use these to budget your talk-time at each meeting, so you're forced to choose your contributions wisely and leave space for others.

- People often can't tell if a leader is sharing a casual thought or a policy decision. *Label your opinions* to distinguish soft opinions (meant for further consideration/ debate) versus hard opinions (firm views on a vital issue).

- *Share your mistakes*, making it safe for others to experiment and learn from mistakes: (i) Get personal by sharing the mistakes you made and what you learned, and (ii) go public by creating forums where everyone can learn regularly.

- *Make space for mistakes*. Define an area or project where it's ok to experiment and fail without hurting the organization.

3. The Challenger: Extend compelling challenges

Know-It-Alls vs Challengers. In setting the direction for their team:

- Diminishers are *Know-It-Alls*. They tell you their superior insights, ask questions to "test" you, and tell you exactly how to do your job. People waste energy second-guessing them or pretending to follow their instructions, and the organization is stuck with what it already has/ knows.

- Multipliers are *Challengers*. They identify the right opportunities, then challenge everyone to get there. They seed ideas and let people stretch themselves to find the solutions. Matt McCauley assessed that Gymboree's share price could be increased from $0.69 per share to $1.

KEY QUOTES

"The Diminisher is a Know-It-All who gives directives. The Multiplier is a Challenger who defines opportunities."

Even though he knew what could be done, he chose to share his "Mission Impossible" and enlist his managers to come up with *their* Mission Impossible. One year later, Gymboree reached $1.19 per share. Matt kept lifting the bar to reach $2.15 per share in 2007, then $3.21 in 2008.

Challengers tap on the entire organization's abilities with 3 practices:

- They *seed the opportunity* by asking good questions and giving just enough info to stretch people's thinking. They:

  (i) *Show the need by finding ways* for people to see/discover the problem themselves. Once people understand an issue, it's easier to find solutions.

  (ii) *Challenge assumptions* by asking questions that disrupt the prevailing logic. Management guru C.K. Prahalad used a fictitious article about Philips' bankruptcy (at a time when the company seemed invincible) to spark debate on what could cause their downfall.

  (iii) *Reframe problems* to show new opportunities. When Alan Lafley (former P&G CEO) redefined innovation from "not invented here" to "proudly invented elsewhere", it opened up new partnership possibilities.

  (iv) Offer a *starting point* instead of giving the solution. By sparking people's curiosity and imagination, you can create even bigger/better outcomes.

- Challengers *lay down an intriguing challenge* that motivates people to stretch and find answers they don't yet have. They:

  (i) *Extend a concrete challenge* to help others visualize what the organization must deliver.

  (ii) *Ask hard questions* that push people to think deeply, realize the gap in their knowledge/abilities, and seek to close the gap.

  (iii) Back off to *let others fill in the blanks*. They let people think for themselves and take ownership of the problem.

KEY QUOTES

"Once a leader accepts that he or she doesn't have to have all the answers, he or she is free to ask much bigger, more provocative, and, frankly, more interesting questions. They can pursue things they don't know how to do."

"Multipliers don't give answers. Instead they begin a process of discovery."

"Multipliers analyze problems, but they also reframe them to show the opportunity presented by the challenges."

"Diminishers give answers. Good leaders ask questions. Multipliers ask the really hard questions."

- They *create belief that the challenge is achievable*, so people will actually take action. They:

  (i) *Helicopter down to reality* by showing a viable path and why it's possible to achieve an ambitious goal.

  (ii) Get people to *cocreate the plan* so they'll have greater belief and ownership.

  (iii) *Orchestrate small, early wins* to build confidence.

To become a Challenger, try these experiments:

- *Take the "Extreme Questions Challenge"* by speaking to your children or colleagues only in questions. Once you're comfortable to lead with questions, balance it with your natural style.

- *Set your team a stretch challenge*, e.g. How can we achieve X by Y date, with only Z resources? Then, step back and let them solve it.

- *Take a field trip*, i.e. bring people offsite for first-hand learning experiences, e.g. see how the poor really live, or watch how a customer uses your product.

- *Take a huge baby step*. Involve the entire organization in a small win, e.g. use a cross-functional task force to win back a vital customer. Make it visible to build belief organization-wide.

4. *The Debate Maker: Debate decisions constructively*

Decision Makers vs Debate Makers. Diminishers tend to make decisions by themselves (or with a privileged few), while Multipliers engage people in meaningful.

- Diminishers are *Decision Makers*. They assume that only a few people are worth listening to. They raise issues, dominate the discussions with their own opinions, and make snap decisions without explaining the rationale. Others in the organization end up feeling confused and left out.

KEY QUOTES

"The number one difference between a Nobel Prize winner and others is not IQ or work ethic, but that they ask bigger questions."
—Peter Drucker

"Multipliers create a meaningful proof point that a bold challenge can be successfully met."

"Diminishers are Decision Makers who try to sell their decisions to others. Multipliers are Debate Makers who generate real buy-in."

- Multipliers are *Debate Makers*. They bring people together, draw out what they know, and facilitate rigorous debate. They stretch people, depersonalize decisions, and make sound decisions which people own, understand and can execute.

Multipliers spark constructive debate with 3 practices.

- They *frame the issue* clearly so people know where to focus and are given time to prepare for the discussion. They specify:

  (i) *What* is the decision to be made (ideally, specify 2 options instead of a vague topic);

  (ii) *Why* it's important to resolve the issue;

  (iii) *Who* will be involved in the decision-making; and

  (iv) *How* will the final decision be made, e.g. by majority vote, consensus or a single person.

- They *spark a debate* that's engaging, comprehensive, fact-based and educational. They concurrently:

  (i) *Create safety* by removing factors that'd cause people to hold back (e.g. sharing their views last); and

  (ii) *Demand rigor* by encouraging all points of view, focusing on facts/evidence and depersonalizing the issues.

- They focus on the goal and *drive a sound decision*. They:

  (i) *Reclarify the decision-making process* by summarizing the key ideas/outcomes and the next steps.

  (ii) *Make the decision* if consensus isn't possible or necessary.

  (iii) *Communicate* the decision and rationale.

Become a Debate Maker by using "shared inquiry":

- *Ask the hard question* that'll tackle the root of an issue and confront underlying assumptions. Stop and let the team discuss.

KEY QUOTES

"It is better to debate a decision without settling it than settling a decision without debating it."
—Joseph Joubert

"Multipliers love debate, and they debate with a purpose.... Multipliers aren't just debaters; they are Debate Makers."

- *Ask for evidence* whenever someone offers an opinion, and consider multiple data points or trends.

- *Ask everyone* for their inputs or at least get diverse views. Go beyond the dominant voices.

- *Ask people to switch sides* to consider the issue from a different viewpoint, e.g. taking an opposite stand or a different role.

5. The Investor: Instill accountability

Micromanagers vs Investors. Diminishers drive results personally while Investors build people's ability to perform without them.

- Diminishers are *Micromanagers*. They try to handle everything themselves. They issue instructions, then intervene thinking people can't cope without them. They create confusion by jumping in and out. People become dependent on them and can't operate in their absence.

- Multipliers are *Investors*. They share guidance, invest in others' success, but give back the ownership for results. They're like coaches who build a winning team without jumping in to play the game themselves.

Investors build independent teams with 3 practices:

- They *establish ownership* upfront. They:

  (i) Recognize people's abilities, *name the lead* and give them full accountability.

  (ii) Give people ownership for a *wider end-goal* that goes beyond their narrow/specific domains.

  (iii) *Stretch the role* by getting people to go beyond their comfort zone and do things they've never done before. Set challenges at 1-2 levels above their current ability.

- After establishing ownership, they *invest resources* and knowledge to ensure people can deliver results. They:

KEY QUOTES

"The Diminisher is a Micromanager who jumps in and out. The Multiplier is an Investor who gives others ownership and full accountability."

"You can jump in and teach and coach, but then you have to give the pen back…[so] your people know they are still in charge."
—Jae Choi

"When Investors stretch the role, they stretch the person in it. This bigger role creates a vacuum that must be filled."

(i) *Teach and coach* people so they can avoid/solve problems in the future.

(ii) Know people will make mistakes, thus *provide backup* through other colleagues' support.

- They *hold people accountable* for their areas of ownership. They:

  (i) Always give *back the accountability* after offering help, suggestions or resources.

  (ii) *Expect completed work*, including solutions for every problem raised.

  (iii) *Respect natural consequences* by letting people own the outcomes—be it success or failure.

To become an investor, try these 4 experiments:

- Give people *51% of the vote* so they know they're in charge. Start with their current job scope then keep increasing their responsibility.

- *Let nature take its course* instead of jumping in to intervene. Look for teachable moments, e.g. when the team hits a snag and is looking for help. Ask good questions and focus on how they can succeed in future.

- Whenever someone raises a problem, *ask for their recommended fix*. Don't solve it for them.

- After offering insights or opinions, always *give back the accountability*.

Becoming a Multiplier

Accidental Diminishers

Most Diminishers actually have good intentions and are unaware of their diminishing impact on others. Learn to recognize these common Accidental Diminisher profiles:

KEY QUOTES

"Diminishers tell you what they know; Multipliers help you learn what you need to know."

"Multipliers never do anything for their people that their people can do for themselves."

"We judge others by their doings, but ourselves by our intentions."

- The *Idea Guy* is creative and innovative. He shares his ideas to stimulate others, but the team is fatigued from chasing his ideas.

- *Always On* leaders are dynamic and think their energy is infectious. In reality, they drain others with incessant noise.

- The *Rescuer* jumps in once he sees people struggling and ends up limiting others' ability to learn and grow.

- *Pacesetters* are achievement-oriented. They lead by example expecting others to follow, but they move too fast and others just end up watching as bystanders.

- The *Rapid Responders* move so quickly (to make decisions or solve problems) that others sit back and let them handle it all.

- The *Optimist* focuses only on the upside and doesn't recognize the problems and effort required to solve them.

- The *Protectors* shield their people from problems so they don't learn to fend for themselves.

- The *Strategist* thinks big but people end up relying on him to show the way.

- The *Perfectionist* strives for excellence but ends up discouraging people with his nit-picking.

All of us have our Accidental Diminisher moments. The key is to lead with intention: be aware of your natural tendencies, seek feedback from others, and overcome such tendencies using the various workarounds or experiments provided earlier. As a rule of thumb, *do less and challenge more*: resist jumping in to rescue others, speaking to fill the silence, or trying too hard to sell your ideas.

Dealing with Diminishers

Even if your boss is a Diminisher, you can still break the vicious cycle with a Multiplier mindset. Realize 3 things: (i) it's not necessarily about you, (ii) diminishing effects are not inevitable, and (iii) you can lead your boss.

KEY QUOTES

"As leaders, sometimes we are most helpful when we don't help."

"As leaders, sometimes the faster we run, the slower others walk."

"Sometimes a 90 percent solution executed with 100 percent ownership is better than getting it 100 percent right with a disengaged team."

Here are 3 levels of strategies for dealing with Diminishers, in increasing levels of sophistication:

- *Level 1: Defensive/survival strategies* to stop a downward spiral.

  (i) Don't ignore the person (especially if it's your boss), but *turn down the volume* to reduce the impact.

  (ii) *Build other connections* to balance their influence, e.g. have a sounding board, a cheer squad or a career network.

  (iii) Don't fight the Diminisher head-on. *Retreat and regroup*, giving both sides the chance to exit gracefully.

  (iv) *Send the right signals* to assure a micromanager things are under control.

  (v) *Assert your capability* politely, e.g. "Can I try this by myself first and come back to you if I need help?"

  (vi) *Ask for performance intel*, including a clear direction and performance feedback.

  (vii) If all else fails, *shop for a new boss* and take the time to find the right one.

- *Level 2: Offensive strategies to multiply upward or sideways*.

  (i) *Tap on your boss's strengths* instead of trying to change him/her.

  (ii) *Proactively share* how they can best use your natural abilities.

  (iii) *Listen to their inputs* instead of dismissing them.

  (iv) Set the right tone by *admitting to your mistakes* and sharing what you've learned.

  (v) Offer to *take a stretch project* beyond your existing scope.

  (vi) Share data and *involve the Diminishers* instead of shutting them out.

KEY QUOTES

"If you do quit, don't just swap one bad manager for another. Instead of simply searching for a new job, go shopping for your next boss."

- *Level 3: Strategies to inspire Multiplier leadership*, i.e. help others to recognize their Diminisher tendencies so they can change.

  (i) *Assume positive intent*, e.g. tell a Protector "I know you want to protect the team. But if you don't give them a chance to fend for themselves, they won't learn or grow stronger."

  (ii) *Address one issue at a time* instead of overwhelming them with all the issues at once.

  (iii) *Celebrate every progress*, no matter how small.

Putting It Into Practice

Being a Multiplier is a matter of choice. It starts with (i) recognizing the Multipliers/Diminishers around you, (ii) recognizing the Accidental Diminisher tendencies in yourself, and (iii) making a firm decision to become a Multiplier.

To translate Multiplier insights into results more quickly:

- Start by adopting a *Multiplier mindset*. Your assumptions will drive your behaviors.

- Wiseman found that most Multipliers are strong in only 2-3 of the 5 disciplines (and average for the rest). So, *work the extremes* by (i) mitigating your biggest weakness (your worst Diminisher tendencies), and (ii) enhancing your biggest strength (your strongest discipline).

- *Choose 1 experiment* to improve a Multiplier discipline or reduce an Accidental Diminisher tendency. If you're unsure where to start, ask a colleague to choose an experiment for you.

- *Be prepared for setbacks*, since it will take persistent effort before you can successfully make the shift to become a Multiplier.

To create a Multiplier culture, you need to address various cultural layers that affect how people think, behave and

KEY QUOTES

"Building a culture is neither a one-time injection nor a sheep dip; it requires connection to the deep layers of the culture…from surface-level cultural elements to…the deeper cultural elements."

work. This includes both visible elements (e.g. shared language/behavior) and subtler elements (e.g. rituals, norms and beliefs):

Cultural Elements	Multiplier Practices
Common language: Words or phrases with a shared meaning	• Get the team to read this *book* and discuss it. • Get people to take the *Accidental Diminisher quiz* and discuss their self-assessments.
Learned behaviors: A set of learned responses to certain stimuli	• Explain *Multiplier mindsets* to spark internal dialogue. • Teach *Multiplier skills/practices* with 360° assessments to help leaders identify and monitor areas for improvement. • Use simulations to let people apply the insights in *daily decisions*.
Shared beliefs: What's accepted as the "truth"	• Have a *leadership ethos* to make your Multiplier beliefs explicit.
Heroes and legends: Stories about heroic actions or people who're admired/idealized	• Create internal heroes by *shining a spotlight* on Multiplier examples/moments. • Use *measurements* to assess how far managers are displaying Multiplier behaviors.
Rituals and norms: Consistent behaviors followed by an individual or group	• Pilot a *Multiplier practice* in a small group before implementing it organization-wide. • Link Multiplier behaviors to business *metrics and KPIs*.

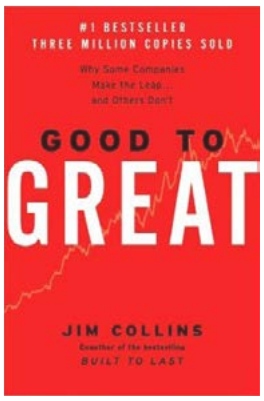
Other Details in the Book to Look out For

This is a comprehensive guidebook with numerous real-life examples for each set of Multiplier and Diminisher characteristics. The book also includes several appendices with additional information on the research process, commonly asked questions, team discussions and the various Multiplier experiments outlined in this summary. For more details and resources, please visit thewisemangroup.com.

KEY QUOTES

"Unlocking individual potential is not just a matter of personal will and individual behavior change; it is a function of entire systems, and reshaping collective will is hard work."

"Make heroes out of these genius makers who bring out the best in others."



GOOD TO GREAT

Why Some Companies Make the Leap ...and Others Don't

BY JIM COLLINS

THE BIG "SO WHAT"

The book addresses the questions: Can a "good" company make the transition to be "great"? And if so, how? Through extensive research and analysis, Collins identified a number of timeless principles that helped a small group of companies to break away from the rest and consistently outperform the market.

IDENTIFYING GREATNESS

Collin and his research team started with 1,435 good companies, examined their performance over 40 years, and identified 11 companies that became great, namely Abbott, Circuit City, Fannie Mae, Gillette, Kimberly-Clark, Kroger, Nucor, Philip Morris, Pitney Bowes, Walgreens, Wells Fargo. These good-to-great companies had:

- 15 years of cumulative stock returns at/ below the general stock market
- A distinct transition point
- Followed by cumulative stock returns of at least 3 times that of the general market overthe next 15 years

This group of 11 companies were compared against 2 groups of comparison companies, the first group from same industry (with similar circumstances but didn't make the leap), and the second group of "unsustained companies" that made the leap but didn't sustain the performance.

Why bother with greatness to begin with? The findings suggest that it does not take a lot more to build a great organization as it does a good one, yet the process is more fun and delivers better

KEY QUOTES

"(The book) is ultimately about one thing: the timeless principles of good to great."

"Good is the enemy of great is not a business problem. It is a human problem."

"Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice."

results, so why not? In any case, when the company focuses on what its people are passionate and about (a trait of good-to-great companies), people will naturally want to make it great.

LEVEL 5 LEADERSHIP

At the time of their big transition, all the good-to-great companies had Level 5 leadership. "Level 5 leaders" are at the top of a 5-level hierarchy, & exhibit the duality of personal humility and professional will, e.g. Colman Mockler, David Maxell, Darwin Smith, Joe Cullman, Fred Allen.

Professional Will

Level 5 leaders have huge ambitions for their institutions (not themselves). They are fanatically-driven to deliver results, set exacting standards, demonstrate an unwavering resolve and a quiet doggedness to do whatever it takes to bring the company to greatness.

They demonstrate the window-and-mirror syndrome. When things go well, they look out of the window and give credit to factors outside of themselves (when they can't find factors to credit, they attribute success to "good luck"). When things go poorly, they look in the mirror, take responsibility internally and never blame bad luck.

Noticeably, the good-to-great companies did not have celebrity leaders from the outside. Rather, 10 of the 11 CEOs companies had CEOs from the inside, unlike the comparison companies that tried outside CEOs 6 times more often.

KEY QUOTES

"Self-effacing, quiet, reserved, even shy – these leaders are a paradoxical blend of personal humility and professional will. They are more like Lincoln and Socrates than Patton or Caesar."

"Level 5 leaders are fanatically driven, infected with an incurable need to produce results"

"We were not looking for Level 5 leadership in our research, or anything like it, but the data was overwhelming and convincing. It is an empirical, not an ideological, finding."

Personal Humility

Level 5 leaders put their egos aside, and focus on the companies' long term interests. They demonstrate a "compelling modesty", talk about the company (not themselves), shun public praise, and are not boastful. They rely on inspired standards, not charisma, to motivate. They set up successors so that the company could be great without them.

By contrast, the unsustained comparison companies were more likely to have talented but ego-centric leaders, who produce a leap in performance, that dies off over time

Identifying Potential Level 5 Leaders

While there's no solid research on how to cultivate Level 5 leaders, Collins recommends looking for situations where there are extraordinary results but no one is stepping forth to claim excess credit – there's a high chance you will find a Level 5 leader at work.

FIRST WHO...THEN WHAT

Instead of setting a grand vision and strategy, then rallying people behind them, good-to-great companies got the right people onboard, then figured out which direction to take.

Right people, then direction/strategy

The Level 5 leaders first focus on finding the right people (A-team players who make a conscious decision to take on the challenges), then developed the strategy. For example, David Maxwell, CEO of Fannie Mae held back on his strategy until his team was in place, despite pressure from the board, and even though the company was $56 billion in debt and losing $1 million each business day.

By contrast, the comparison companies focus first on setting the vision, then putting people on the roadmap. Their leaders may be individually talented, but tend to enlist helpers rather

KEY QUOTES

"They first get the right people on the bus, the wrong people off the bus, and the right people in the right seats – and then they figured out where to drive it."

"Great vision without great people is irrelevant."

"In a good-to-great transformation, people are not your most important asset. The right people are."

than develop strong executives - the model falls apart when the leader leaves.

There was no evidence to support the idea that a certain structure of executive compensation (be it cash, stock, salaries or incentives) help in the good-to-great transition. The right compensation helps to get the right people onboard & keep them there. However, once you have the right executives, their behaviours aren't dependent on the compensation model; their own drive for excellence will ensure that they do the best they can.

Be Rigorous (but not Ruthless) about People

Good-to-great companies exercise rigorousness in people-related decisions and in building a superior executive team. However, they do not carry out endless restructuring nor ruthlessly swing the axe. Layoffs were used 5x more frequently in comparison companies than good-to-great companies. Collins identified 3 practical principles for rigorousness:

When in doubt, don't hire – keep looking. Grow at a pace with which your company can attract enough of the right people.

If you need to make people changes, do it. Obviously, it is best to have the right person in the right seat to begin with. At the top management level, good-to-great companies show a bipolar pattern: people either stay for a long time, or they leave quickly (if there's no fit). To assess if someone should be on the team, ask:

- Would you hire this person again?
- If the person were to leave, would you be disappointed or relieved?

Put your best people on your biggest opportunities, not your biggest problems. But, if you sell off your problems, don't sell off your best people.

The 3 simple truths

The "First Who, then What" approach works because of 3

KEY QUOTES

"It's not how you compensate your executives, it's which executives you have to compensate in the first place."

"The right people will do the right things and deliver the best results they're capable of, regardless of the incentive system."

simple truths:

- Beginning with "who" rather than "what" means that people are not onboard because of a specific direction – that makes it easier to adapt to external changes and switch direction if necessary
- The right people are already intrinsically motivated to produce the best possible results and be part of something great – there are no issues of people management and motivation to deal with.
- If you have the wrong people, you cannot succeed even if you had the best direction.

CONFRONT THE BRUTAL FACTS (YET NEVER LOSE FAITH)

Good-to-great companies don't just pursue a vision – they constantly refine their paths with brutal facts, with 2 types of disciplined thought:

- They face the brutal facts in all their decisions; and
- They apply a simple but insightful frame of reference (the Hedgehog Concept) for all their decisions.

Confronting Brutal Facts…

Good-to-great leaders create an environment where the truth can be heard. By contrast, larger-than-life/ charismatic leaders can become a liability if the focus is on them rather than the true realities. There are 4 basic practices to achieve a climate of truth:

Lead with questions, not answers. Those leading from good-to-great realize that they do not have all the answers. They ask the right questions that lead to the best possible insights. They use informal meetings (without agenda) to allow realities to surface.

Engage in dialogue & debate, not coercion. Good-to-great companies have intense dialogues, and their strong executives debate and fight aggressively to find the best answers. Yet, because of this process, they will unify fully behind a decision.

KEY QUOTES

"The moment a leader allows himself to become the primary reality, rather than the reality being the primary reality, you have a recipe for mediocrity, or worse."

"Yes, leadership is about vision. But leadership is equally about creating a climate where the truth is heard and the brutal facts confronted."

Conduct autopsies, without blame. This supports understanding and learning, and creates a climate where the truth is heard.

Build "red flag" mechanisms. Good-to-great companies did not have more information than comparison companies, but they paid attention to crucial information. The red flag concept means turning information into feedback that cannot be ignored.

...with Unwavering Faith

There is a sense of euphoria in good-to-great companies as they demonstrate a commitment to prevail, face the truths head on, and emerge stronger and more resilient.

They all demonstrate the "Stockdale Paradox" – they retain the faith that they will prevail in the end, and at the same time exhibit discipline to confront the most brutal facts of their current realities. They are not simply optimists who believe that things will work out on their own.

THE HEDGEHOG CONCEPT

This idea is built on the concept of the Greek Parable, The Hedgehog and the Fox. The fox pursues many ends, sees the world as complex, and is scattered/ diffused. The hedgehog, conversely, simplifies the world into a single idea or principle that guides everything it does.

Good-to-great companies demonstrate a strategic difference in 2 areas:

- They build their strategies on a deep understanding of the "three circles";
- They identify a simple, crystalline concept that guides all their efforts

KEY QUOTES

"They all maintained unwavering faith that they would not just survive, but prevail as a great company. And yet, at the same time, they became relentlessly disciplined at confronting the most brutal facts of their current reality."

"Yes, leadership is about vision. But leadership is equally about creating a climate where the truth is heard and the brutal facts confronted"

Simplicity within the Three Circles

The Hedgehog Concept lies at the intersection of the 3 circles:

What you can be the best in the world at. A hedgehog concept is not a goal / strategy/ intention/ plan to be the best; it is an understanding of what you can be the best at. It is equally important to know what you cannot be best in the world at. It requires transcending the "curse of competence" - just because something is your core business doesn't mean you can be the best at it.

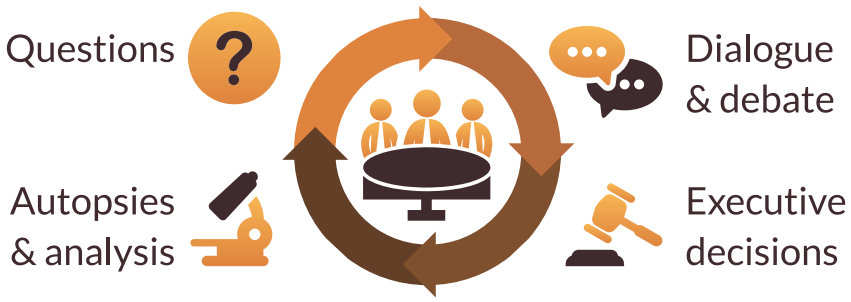
What drives your economic engine. Good-to-great companies discover the one denominator (profit per "X") that impacts their economics most significantly, where "X" could be employee, geographic region, customer, consumer brand etc.

What are you deeply passionate about. It is not about stimulating passion, but discovering what makes you passionate, be it for the product, industry, or what the company stands for.

An Iterative Process

Getting clarity on the Hedgehog Concept is an iterative process and takes time. The good-to-great companies took about 4 years on average to crystalize their concepts. Yet, when they find it, it has a quiet, obvious truth to it that is undeniable.

The process involves repeating these 4 steps (guided by the 3 circles). A useful device to use is the "Council" (a standing body of 5-12 right people) who meet periodically to debate and perform the 4 iterative steps:



A CULTURE OF DISCIPLINE

Most successful start-ups don't grow into great companies. As

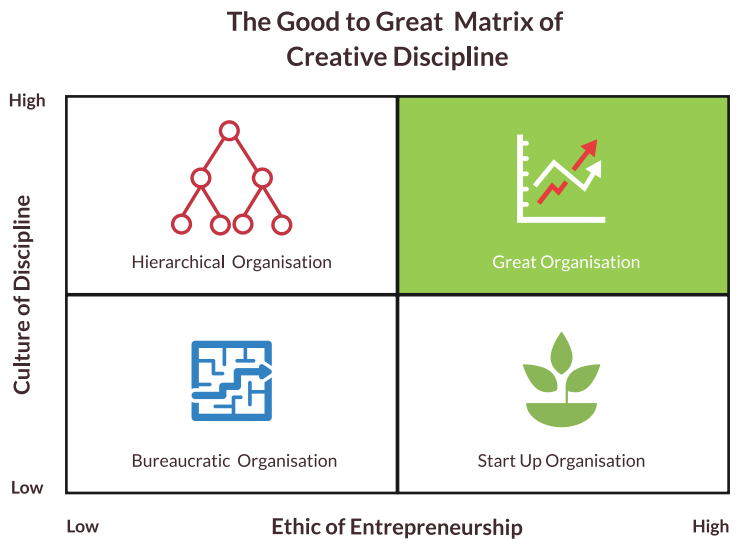
KEY QUOTES

"You can't manufacture passion or 'motivate' people to feel passionate. You can only discover what ignites your passion and the passions of those around you."

"While it has a crystalline clarity and elegant simplicity once you have it, getting the (hedgehog) concept can be devilishly difficult and takes time."

"When you get your Hedgehog Concept right, it has the quiet ping of truth…There is no need to say much of anything.; the quiet truth speaks for itself."

they grow, they start to introduce bureaucracy and rules to make up for incompetence and lack of discipline.



To avoid bureaucracy, hierarchy, and excessive controls, instil a culture of discipline (through disciplined people, thought and action). Combine the culture of discipline with an ethic of entrepreneurship to get superior performance.

Specifically , this involves a few components:

Build a culture around freedom and responsibility, within a specific framework or system with clear parameters.

Hire only self-disciplined people, who will go the extra mile to fulfil their responsibilities. That way, you only need to manage the systems but not the people.

Build a culture of discipline, not use a tyrannical disciplinarian. Good-to-great companies have Level 5 leaders who develop an enduring culture of discipline, while un-sustained comparisons had leaders who personally and forcefully discipline the organization.

Fanatical adherence to the Hedgehog Concept. Only start or do things that fall into the intersection of the 3 circles. Stop doing anything, however big the opportunity, that falls outside the intersection. Create a "stop doing" list, so you can channel all

KEY QUOTES

"When you combine a culture of discipline with an ethic of entrepreneurship, you get the magic alchemy of great performance."

"A great company is more likely to die of indigestion from too much opportunity than starvation from too little. The challenge becomes not opportunity creation, but opportunity selection."

your resources into the 1-2 areas that you choose to focus on (which is consistent with your Hedgehog Concept).

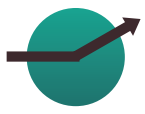
TECHNOLOGY ACCELERATORS

Good-to-great companies think differently about technology.

Technology as accelerators, not creators, of momentum. 80% of good-to-great executives do not consider technology as one of the top 5 factors in their transformation. Technology cannot ignite transformations; they can only accelerate momentum. Good-to-great companies carefully select the technology they adopt - if a technology fits directly with their Hedgehog Concept, they adopt it fully and become pioneers in the application of that technology.

Avoiding the Technology Trap. Good-to-great companies do not focus on technology as a key factor in their transitions. They do not respond to technology fads nor jump on the bandwagon. Rather, they focus single-mindedly on their Hedgehog Concept and use technology as merely one of the tools or drivers to accelerate results.

Unlike comparison companies, many of whom adopted technology with the fear of being left behind, the good-to-great companies are motivated by their inner drive for excellence and their deep creative urge. They maintained a balanced and big-picture view on technology .



THE FLYWHEEL AND THE DOOM LOOP

The good to great transition is not a process of overnight metamorphosis, nor is there a single big success factor. It is an accumulation of many interlocking steps and factors that build on one another until a point of breakthrough

KEY QUOTES

"Technology is by itself never a primary, root cause of either greatness or decline."

" 'Crawl, walk, run' can be a very effective approach, even during times of rapid and radical technological change."

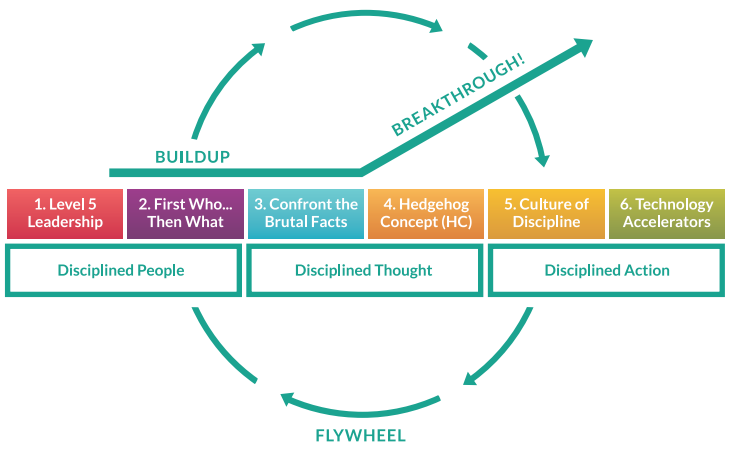
"Good to great comes about by a cumulative process – step by step, action by action, decision by decision, turn by turn of the flywheel – that adds up to sustained and spectacular results"

is reached, much like how a flywheel picks up momentum turn by turn. The companies usually did not realize their own transformation until after the fact.

A surprising finding was that, good-to-great companies did not have to deal with issues of commitment, alignment, motivation etc. – with the right conditions, these problems simply dissolved.

The companies don't usually start with a publicly proclaimed goal. They start by spinning the flywheel, turn by turn, creating an understanding of their action and results. When people can see the results and potential, and how a plan is being born, they naturally rally behind it. Because the flywheel is doing the talking, there is no need to fervently communicate the goal or align people to the vision.

The reverse holds through for comparison companies, who suffer the "Doom Loop" – A new direction/ program/ leader/ event kicks in, there is no build-up of momentum, creating disappointing results, and people react without understanding.



Essentially, the flywheel is a wraparound idea: every component in the book provides a push on the flywheel, and all the pieces work consistently and coherently together to create momentum and an eventual breakthrough.

FROM GOOD TO GREAT TO BUILT TO LAST

Generally, *Good to Great* is much like a prequel to the book

KEY QUOTES

"Under the right conditions, the problems of commitment, alignment, motivation and change largely melt away."

"The process resembled relentlessly pushing a giant heavy flywheel in one direction, turn upon turn, building momentum until a point of breakthrough, and beyond."

"This book is about how to turn a good organization into one that produces sustained great results. Built to Last is about how you take a companies with great results and turn it into an enduring great company of iconic stature."

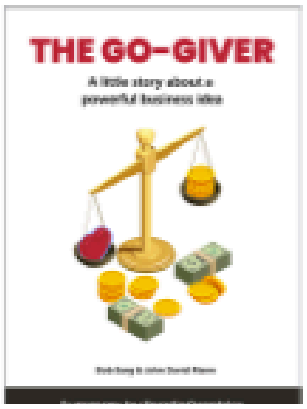
Built to Last. The good-to-great ideas lay the groundwork to bring a company from startup to sustained great results, while built-to-last ideas take it beyond to become an enduring company with an iconic stature.

The key difference is that, with the flywheel already having gathered momentum, Visionary Companies emerge when they can develop core values and a purpose beyond profits, and can constantly preserve their core while stimulating progress. Connecting the ideas in the 2 books, Collins highlighted that a good BHAG should be set with understanding of the 3 circles - it provides a powerful unifying force to help people focus on bringing the Hedgehog Concept further and deeper .

OTHER DETAILS TO LOOK OUT FOR IN THE BOOK

For those who are into research methodology and details, Collins provides an outline of the research journey in Chapter 1 of the book, with research appendixes detailing the companies selection process, & breakdown of several analysis of CEOs, industries, acquisition strategies etc.

He also lists down the best practices for the 11 good-to-great companies including their "Best-in-the-world" list (pages 101-103), their economic denominators (pages 106-107), and their list of technology accelerators (pages 150-151). He ends off the book with a detailed list of conceptual links between *Good to Great* and *Built to Last* (pages 198-201), and some Q&As on common questions and clarifications asked about the Good to Great ideas.



THE GO-GIVER

A Little Story About
A Powerful Business Idea

BOB BURG AND JOHN DAVID MANN

The Big "So What"

In a brutally competitive world where everyone seems to be fighting to earn more and achieve greater success, this book offers an alternative set of business success principles built on giving and adding value to others. These laws were originally written to help businesses to increase sales and profits, but were found to also improve relationships and success in life.

The Story

The Go-Giver is a fable about an ambitious young man, Joe, who propelled himself to phenomenal success after he learned and applied the "Five Laws of Stratospheric Success".

Joe was a true go-getter—diligent, efficient, and dedicated—yet frustrated that he could not achieve his goals despite his hard work. One day, desperate to close a major sale to meet his quarterly targets, he sought the advice from a famous consultant, Pindar.

He was surprised to discover that Pindar's secret to making money and growing his business was to give sincerely. Pindar offered to mentor Joe, on the condition that Joe would personally test and apply every one of the lessons he was taught.

Over a week, Pindar introduced Joe to several "go-givers", including a restaurateur, a CEO, a financial adviser, and a real estate broker, who jointly shared the details of the 5 laws. By the end of the week, Joe had learned the power of giving, and understood that by putting others' interests first and continually adding value to their lives, you could eventually generate unexpected returns.

KEY QUOTES

"While the world may at times appear to be a dogeat-dog place, there is actually a set of much kinder and vastly more powerful principles operating beneath the surface of casual appearances."

"To get really, really big, to reach the kind of stratospheric success we're talking about, people need to have something on the inside, something that's genuine."
- Pindar from The Go-Giver

The 5 Laws of Stratospheric Success

Most people are hesitant to give because they are afraid of being taken advantage of. However, people tend to treat you the way you expect to be treated, so it becomes a self-fulfilling prophecy.

Giving first is like adding logs before expecting the fire to burn, or putting in your capital before expecting to get interest. You need to give first to receive later.

1. The Law of Value

Your real worth is defined by how much more value you give than how much you get paid.

Before thinking about profits, first ask yourself, does this serve others? When you focus on giving value as a way of life, the money will naturally follow.

In the story, Pindar introduced Joe to restaurateur, Ernesto Iafrate, who started with one hot dog stand and grew his empire to include multiple restaurants with several hundred millions worth of real estate. Ernesto shared the secret behind his phenomenal success, which was to deliver incredible value to his customers. He explained that:

A **bad business** aims to give the *bare minimum* quantity and quality of goods and services to customers, to justify the money it's being paid.

A **good business** aims to give *the most possible* quantity and quality of goods and services, for the money received from customers.

A **great business** aims to deliver *unbelievable value*, offering such high quantity and quality of goods and services that it's almost unreal.

KEY QUOTES

"Ultimately, the world treats you more or less the way you expect to be treated."
- Pindar from The Go-Giver

"Appearances can be deceiving... they nearly always are."
- Ernesto from The Go-Giver

"If you need money, add value. And if you need a lot of money, add a lot of value."
- Pindar from The Go-Giver

After going back to his office, Joe tried to find ways to apply the lesson. The next day, he received a call from a client who has decided not to renew his contract as his company needed a firm with stronger overseas connections. Although Joe was upset, he put the Law of Value to use by recommending a competitor who could meet the client's needs.

2. The Law of Compensation

Your income is decided by the number of people you serve and how well you serve them.

The first law defines how valuable you are, and thus your *potential* to make money. This second law decides how much impact you make, and therefore how much money you actually earn.

In the story, Joe was next introduced to Nicole Martin, the young, dynamic and creative CEO of a company that marketed learning programs to schools globally. Nicole was formerly a grade school teacher who was frustrated with the limited impact she was making. When she developed a learning system for children, she was able to extend her reach beyond her classroom. As she scaled her system and related products, she reached thousands of children, and eventually adapted the system for corporate executive training as well. As the reach and impact of her business grew, so did her profits.

This law is fully within your control:

- You can decide **how many people you want to serve** and how big an impact you want to make.
- You can even change your **limiting beliefs**, e.g. doubts about your ability to create a big impact and achieve huge success. You're the only person who can hold yourself back.

When Joe returned to his office, he tried to apply this rule by personally serving coffee to each of his colleagues, all of whom were pleasantly surprised by this gesture.

KEY QUOTES

"Your compensation is directly proportional to how many lives you touch."
- Nicole from The Go-Giver

"Money is not a measure of your goodness or worthiness; it is a measure of your impact."

3. The Law of Influence

Your influence is defined by how often and how much you focus on others' interests first.

This law is about giving freely, rather than keeping score of when or how you help people.

The idea of "win-win", or having a fair 50-50 split in benefits for both sides, only works in theory. In reality, the best way to build strong relationships is to **focus 100% on helping the other person**, without keeping track of how much others owe you or how much they gain.

Most people wrongly believe that you gain influence through wealth, status and success. In reality, the reverse is true—**influence brings wealth, status and success**, and the most influential people are those who give and add value to others.

When we help someone, it's common for us to think or say, "you owe me one". If you can help someone **without strings attached**, you become truly attractive as a person, and this naturally increases your influence.

In the story, Joe next met Sam Rosen, Nicole's financial advisor. Sam started out as a struggling insurance salesman, but gradually built a good reputation and began to attract bigger cases. He eventually became a top salesman and offered a broad range of financial advisory services, before starting to work with non-profit organizations and became one of the top philanthropists in his state.

Sam explained that his success came not just from giving great value, but also on **developing a huge network**. Sam defines a network as "people who are personally invested in seeing you succeed". They may not be your customers and may never even buy something from you. However, they like you and want you to succeed.

When you have a huge network, you essentially have an army of **personal ambassadors**.

KEY QUOTES

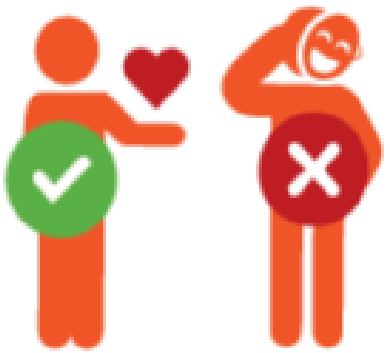
"Forget win-win—focus on the other person's win."
- Sam from The Go-Giver

That night, Joe returned home to find his wife, Susan, feeling troubled about work. Typically, their norm was to each take no more than 30 minutes to share about their day. Joe decided to listen fully to Susan, giving her his full attention without keeping track of the time or their usual "rule".

To his surprise, Susan was so touched by the gesture that she left him a note the next morning to thank him for making her feel more loved and heard than she had in a long time. Joe started to realize that the laws also apply outside of business, to one's relationships and personal life.

4. *The Law of Authenticity*

The biggest and most valuable gift you can offer is yourself.



Every human being craves genuine connections and relationships. Hence, the best gift you can offer someone is your authenticity, simply by being yourself rather than pretending to be someone else. No amount of manipulation skills or techniques can be as effective or valuable as your authenticity and sincerity.

To learn about Law 4, Pindar brought Joe to a symposium by Debra Davenport, the city's top realtor in residential and commercial markets.

During the symposium, Debra shared how she suffered from low self-esteem after her husband left her. She was unable to get a job, and failed to make progress in real estate despite learning all sorts of **sales and closing techniques**.

Ironically, she made her first breakthrough when she wasn't trying to close a sale. That was when she realized that the biggest value she could offer was to **be authentic** and sincerely connect with people around her. Achieving success involves 90% people skills and only 10% technical skills.

While Joe found the laws and lessons to be intriguing, he was no closer to meeting his quarterly targets and wondered if he was wasting his time. Back in his office, he bumped into Gus, the

KEY QUOTES

"No matter what your training, no matter what your skills, no matter what area you're in, you are your most important commodity. The most valuable gift you have to offer is you."
- Debra from The Go-Giver

"You want people skills? Then be a person... It's called authenticity."
- Debra from The Go-Giver

top performer in his company, and the two men had a brief chat. Joe shared openly about his encounters with Pindar and the go-givers, as well as his worries about his quarterly targets.

He was surprised to realize that Gus was the very person who had connected several of the go-givers many years ago, and that Gus had been applying the 5 laws to achieve his massive success.

5. The Law of Receptivity

To give effectively, you must be open to receive.

Most of us have been taught that it's better to give than to receive. However giving and receiving are 2 sides of the same coin. There can be no act of giving without a concurrent act of receiving, just like how you cannot exhale without inhaling.

This law is often the hardest for most people, as we've been conditioned to see altruism and self-interest to be mutually exclusive. However, when you're not open to receiving (e.g. if you feel bad about receiving a favor or rejects someone's help), you are actually stopping **the flow of giving and receiving**.

The next time someone pays you a compliment, simply receive it graciously by saying "thank you" with a smile. This could be your first step to **applying this law**.

After learning all 5 laws, Joe found himself feeling less anxious about his quarterly targets, even though he had made no real progress since he first approached Pindar. That Friday evening, as he was reflecting on his situation in the office, he received a call from the competitor he had referred his client to. It turned out that there was an once-in-a-lifetime business opportunity that his competitor couldn't fulfill, and he was contacting Joe for assistance.

What goes around comes around. That was how Joe became a partner in a coffee business and went on to achieve stratospherical success.

KEY QUOTES

"Every giving can happen only because it is also a receiving."
- Pindar from The Go-Giver

"If you don't let yourself receive, you're refusing the gifts of others–and you shut down the flow."
- Pindar from The Go-Giver

Other Lessons from the Story

Besides the 5 laws, Joe also learned several things by observing the go-givers.

As he met each business-owner, he was struck by how gracious, friendly and polite each of them were in spite of their successes, and how they all exhibited an intense, magnetic quality. Later on, he realized that it was the **Law of Influence** at work—by giving unselfishly, they became more attractive as individuals.

He also learned about the **powerful life philosophy** adopted by Rachael, the lady who eventually partnered with Joe to grow a huge coffee enterprise.

- *Survive-save-serve*. Rachael was always full of zest for what she did, even if she didn't always enjoy the task. This was because she was always grateful for the chance to *survive* (i.e. meet her basic living needs), *save* (i.e. have excess resources to expand her life beyond basic needs), and *serve* (i.e. contribute to others around her).

- Most people focus on surviving, and some on saving. However, the rare ones those who *focus on serving* often find themselves becoming so successful that the first 2 components naturally fall in place.

Applying the Go-Giver Approach

At the heart of this book is the old maxim, "Give and you shall receive." The principles may not sound logical, but the only way to test if they work is to apply them, just like what Joe did. In applying the 5 Laws of Stratospheric Success, here are some useful points to note:

Effort. The go-giver approach is not a magic solution. You still need to put in the effort for your business to work. However, by shifting your perspective and focus, you can achieve greater success and fulfillment.

KEY QUOTES

"Success is the result of specific habits of action: creating value, touching people's lives, putting others' interests first, being real, and having the humility to stay open to receiving."

Patience. The 5 laws may create greater and faster results in the long run, but the results will not be instantaneous. Be patient and give time for the results to kick in.

Profits and achievements. There's nothing wrong with making profits or being a go-getter. The key is to focus not only on profits or on achieving your personal goals. When you focus on giving value to others, you tend to get better results and profits in the long run.

Value is not just about cash or money. You can offer as much (if not more) value to others by giving your friendship, attention, energy etc. This means that anyone—regardless of your business size or financial situation—can be a go-giver.

Giving is not about charity or sacrificing yourself. It's merely about putting aside your self-interest temporarily to focus on others.

By applying these ideas, you can improve not only your business sales and profits, but also the outcomes in your **personal life**.

Other Details in the Book to Look Out For

After the original book was published, it grew into a movement. Readers started to share how they used the 5 laws to turn around their businesses with more sales and happier customers, improve their marriages and parenting.

This expanded edition of the book was published nearly a decade later, and includes an additional foreword by Arianna Huffington, a new introduction, a discussion guide, and a set of Q&As. For more details, please visit http://thegogiver.com/.

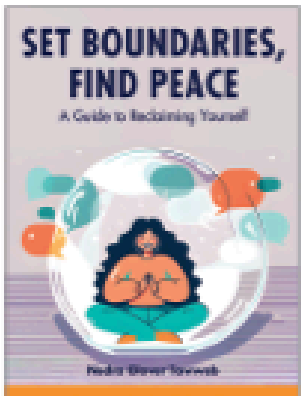
KEY QUOTES

"The Five Laws aren't magic; genuine success still takes work, but it becomes work you love."

"There's nothing wrong with making money... It's just not a goal that will make you successful."
- Pindar from The Go-Giver

"A genuinely sound business principle will apply anywhere in life—in your friendships, in your marriage, anywhere."

The Go-Giver started as a book but soon became a movement."



SET BOUNDARIES, FIND PEACE

A Guide to Reclaiming Yourself

Nedra Glover Tawwab

The Big "So What"

In this book, licensed therapist Nedra Tawwab explains what boundaries are, and how you can establish healthy boundaries to enhance your relationships and well-being. These insights are valuable for anyone seeking to enhance their mental-emotional wellness, or to overcome codependency, power struggles, anxiety, depression, or burnout.

Introduction

Boundaries define roles, expectations, and acceptable behaviors in relationships. They ensure that your needs and expectations are met, and you feel secure and comfortable in your relationships.

- As a therapist, Tawwab finds that one of the most common problems in relationships and mental health issues is the *lack of clear boundaries*. Often, we don't set boundaries for fear of upsetting others. Yet, the lack of boundaries leads to draining, one-sided, or even abusive relationships. These create mental, emotional, and physical pain, exhaustion, or burnout.

- It's better to *face the short-term discomfort* of setting boundaries, than to pay the long-term price of unhealthy and dysfunctional relationships.

In this book, Tawwab discusses many overlapping ideas about boundaries over 15 chapters. We've distilled and organized the key ideas into **2 parts** in this summary:

- Understanding Boundaries: What they are and why they matter.

- Implementing Boundaries: How to set and maintain healthy boundaries.

KEY QUOTES

"This book will...give you the confidence and courage to create healthy boundaries in your own life."

"People don't know what you want. It's your job to make it clear. Clarity saves relationships."

"Set a boundary or suffer the consequences of not setting one."

"Boundaries will set you free."

"Boundaries are the gateway to healthy relationships."

Understanding Boundaries

Types of boundaries and where they come from

Broadly, there are **3 types of boundaries**:

- *Porous boundaries* are vague or ill-defined. You often say "yes" when you want to say "no," leading to overexertion, anxiety, and unhealthy relationships. Common signs include: emotional entanglement, fear of rejection or disapproval, oversharing, people-pleasing, over-reliance on external validation, and even tolerating abuse.

- *Rigid boundaries* are strict rules intended for self-protection. However, you may end up shutting people out, disregarding others' needs and feelings, and isolating yourself. Signs include: distancing yourself, having unreasonable expectations, refusing to share or compromise even when it's necessary.

- *Healthy boundaries* are based on self-awareness, not emotional baggage. You know your physical, mental and emotional capacity, and can communicate your needs and expectations clearly to balance intimacy and a healthy sense of self. Signs include: clarity of values, appropriate sharing, willingness to be vulnerable with those you trust, and the ability to say and accept "no."

You cannot build a healthy relationship with rigid or porous boundaries. Here are several **signs that you need clear boundaries.**

- *Self-neglect*: You prioritize others' needs over your own, to the point your physical, mental, and emotional well-being suffers.

- You feel perpetually *overwhelmed* and often wish to escape it all. Yet, you keep trying to add more to your endless to-do list.

- You feel angry, frustrated and *resentful of others' requests* because you feel underappreciated and exploited. Your anger might be directed inwardly (e.g. self-blame) or outwardly (e.g. tantrums or apathy) to hurt your relationships and mental health.

KEY QUOTES

"Boundaries are not walls. A wall keeps people out, while boundaries show people how to exist in a relationship with you."

"If you learn to pay attention to your body, it will tell you when it's time to set boundaries."

- You *avoid* certain people so they can't load you with new requests, e.g. you avoid picking up their calls or postpone/ cancel your meetings in hopes that person/problems will just go away.

- You experience *mental health issues* like severe anxiety or symptoms of burnout.

Why We Fail to Set Boundaries

There are several **obstacles to boundary-setting**:

- *Thinking that the problem lies with others* and waiting for them to change. In reality, you have the power to change your relationship dynamics.

- *Giving up prematurely* after failed attempts to set boundaries in the past.

- *Lack of self-awareness*: You don't realize that your feelings of resentment, frustration, or exhaustion are signs that you need clearer boundaries.

- *Imagining the worst*, then holding back because you're afraid of failure, rejection, confrontation, discomfort, appearing mean/ rude, or causing awkwardness.

Our **perceptions and approach** to boundaries are influenced by many factors, including our personality, families, teachers, peers, and mass media.

- Our first lessons on boundaries come from our *families*, especially the rules and limits set by our parents. If your family members often dismissed or disrespected boundaries, then you might find it harder to assert your own boundaries.

- *Childhood issues* can greatly impact our ability to set boundaries. These include physical/emotional abuse or neglect, and traumatic experiences like domestic violence, bullying or abandonment. Trauma often leads to unhealthy attachments, where the person becomes either emotionally-aloof, or overly-reliant on others. Unresolved boundary breaches can create a damaging cycle of self-doubt and self-neglect.

KEY QUOTES

"Avoidance is a passive-aggressive way of expressing that you are tired of showing up."

"Assuming the worst is what most often stops us from even trying."

- People who are *prone to anxiety* often find it harder to manage their emotions and to honor others' boundaries. By contrast, people who are self-aware and adaptable are more likely to maintain and respect boundaries effectively.

Implementing Boundaries

There are **2 key parts** involved in setting and maintaining boundaries:

- You must explicitly *communicate* your needs and expectations, rather than expect people to guess what you're thinking or feeling. For example, you can say, "It's important to me that you honor our plans. If you need to make changes, please call or message me a few hours in advance."
- Then, you must uphold your boundaries consistently with *action*. In the example above, if your friend tries to change plans at the last minute, decline and reschedule it 1 week later.

Communicating Your Boundaries

You can't resolve boundary issues by complaining, gossiping, avoiding, creating physical distance, or hoping for problems to disappear on their own. Avoid **4 common but ineffective ways** to express boundaries:

- *Passiveness*: Ignoring your own needs and allowing others to do as they please.
- *Aggression*: Asserting your needs harshly, e.g. raising your voice, name-calling, or belittling others.
- *Passive-Aggression*: Acting out your unexpressed feelings, e.g. giving someone the cold shoulder even though you claim you're not upset.
- *Manipulation*: Forcing others to do what you want by withholding affection or inciting guilt/confusion.

The best way to convey your needs is to **be assertive**. State your needs respectfully, clearly, and precisely, keeping your tone calm

KEY QUOTES

"Assume that people know only what you tell them, honor only what you request, and can't read your mind."

"The truth is that unhealthy boundaries will follow you wherever you go unless you learn to verbalize them."

"People do not have to like, agree with, or understand your boundaries to respect them."

and your language simple. Use statements that begin with "I need," "I want," "I expect," or "I would like." Don't offer any reasons for the boundary nor apologize for it.

After sharing the boundary, immediately **address any discomfort** you may feel, such as sadness, remorse, or guilt. Face the feelings rather than deny or dismiss them.

- To alleviate the feelings, engage in *self-care activities* like meditation, journaling, or walking.
- *Reframe boundaries* as positive tools to empower yourself and build healthier relationships.

Be prepared for **resistance from others**. Let's imagine that you've just asked your colleague John to keep his side of the shared workspace tidier. John might:

- *Push back*: "What's the big deal? You have your side and I have mine." In this situation, reassert your boundary respectfully: "I understand it's inconvenient for you, but I really need a clean workspace to focus."
- *Test your limits*: John might clean up slightly, then let the clutter build up again. Stand firm, express your feelings, and restate your boundary, e.g. "I feel unsettled when my boundaries are tested. I'd like to reaffirm my request for a clean workspace."
- *Ignore* your request: In this case, restate your boundary, invite him to repeat what you said to confirm his understanding, and point out if he ignores your boundary again.
- *Challenge* or question your reasons: Don't try to explain yourself, as it could lead to a lengthy debate. Keep any response short and clear.
- *Defend*: If John gets defensive or tries to shift the blame, address one issue at a time using "I" statements to express your needs and feelings. For example, "When the workspace is cluttered, I feel stressed and unfocused."
- Start *ghosting* you: If John starts to avoid you or stops responding to your calls/messages, send a note to express your observations, feelings, and concerns, e.g. "I noticed that you seem upset since our conversation. Can we discuss this?"

KEY QUOTES

- Use the *silent treatment*: John becomes visibly cold and distant. In this case, respond in the same way for ghosting.

- *Accept* your boundary: This is the ideal and healthiest response, where John acknowledges your boundary and agrees to keep his workspace tidy.

Upholding and Maintaining Your Boundaries

Consistency is key. Uphold your boundaries without apology or compromise. Over time, both parties will adapt.

- *If a boundary is violated*, speak up immediately and restate your boundary. You can also express your feelings, re-emphasize your expectations, and ask them to paraphrase your request to ensure they've understood it.

- If someone *repeatedly violates your boundaries*, you can:

  (i) Limit interaction: minimize contact, keep conversations brief, and listen without offering advice.

  (ii) Issue an ultimatum, e.g. "If you show up unannounced again, I won't open the door."

  (iii) Terminate the relationship if necessary. Only do this as a last resort after you've communicated your concerns, established your boundaries, and considered the relationship's positive aspects.

- In the event of *conflicting boundaries*, decide whether to compromise, maintain separate boundaries, or accept one side's boundaries.

Existing **mental health issues** can amplify boundary problems, and vice versa. Use these additional tips to cope:

- *Anxiety* usually comes from an inability to stand up for yourself, worrying excessively, setting unrealistic goals, and/or constantly comparing yourself with others.

  - Before making a commitment, ask yourself: Do you have the time/resources to undertake this? Whose expectations are you trying to meet? What's the worst outcome if you don't meet them? How can you uphold your boundaries?

KEY QUOTES

"Ending a relationship isn't a sign that you no longer care about the other person. It's an indicator of self-love, self-care, healthy boundaries, bravery, and your desire to be well."

"We can't create more time, but we can do less, delegate, or ask for help."

- Use positive affirmations such as: "I have the right to set expectations," or "In a healthy relationship, my needs are acknowledged and respected."

- *Depression* is often linked with feelings of hopelessness. Use small wins to instill hope.

  - Start with simple boundaries, e.g. correct a stranger who mispronounces your name, or request a redo if the restaurant gets your order wrong.

  - Use positive affirmations, such as: "I can honor small promises to myself" or "I can use small wins to achieve bigger ones."

Identifying and Managing Boundary Violations

Boundary violations can be **big or small**.

- *Micro boundary violations* seem trivial, but they accumulate over time to have a big impact. They include:

(i) *Microaggressions*: subtly-offensive responses about your behaviors or identity (e.g. gender, race). For example, someone may laugh at your accent or make remarks like: "I didn't know you were gay. You don't act like one." You can point out the violation, e.g. "What does it mean when you say I don't act like I'm gay?" Or, suggest a more respectful approach.

(ii) *Oversharing*: when someone shares too much personal information, e.g. a colleague sharing about her marital problems during a project discussion. You can redirect the discussion, or diplomatically request for a change of subject (e.g. "I'm uncomfortable with this discussion. Can we shift to another topic?")

(iii) *Guilt-tripping*: when someone uses guilt to manipulate you into doing what they want. For example, you decline to go for drinks after work and your colleague says, "Our company isn't good enough for you?" You can call them out on the manipulative comments or restate your choices without providing justifications.

KEY QUOTES

"Healthy relationships are not one-sided. The needs of both individuals are equally important."

- *Macro boundary violations* are persistent and can inflict long-term damage to relationships. They include:

  (i) *Enmeshment*: where parties in a relationship have no personal space or sense of self. To counter this, re-establish physical space and individual identities, and take responsibility for personal problems.

  (ii) *Codependency*: when you over-protect others, take on their problems, and justify their inappropriate behaviors. To set boundaries, clarify when/how you'll help, empower them to do things independently (rather than do it for them), and call out any toxic behaviors.

  (iii) *Counter-dependency*: shutting others out even in healthy relationships. To set healthier boundaries, practice vulnerability, ask for help when needed, and accept help when it's offered.

  (iv) *Trauma bonding*: when victims believe they're at fault for experiencing abuse or discomfort. They might say things like: "My partner gets angry and throws things when I ask too many questions. I must learn to figure things out on my own." To counter this, establish clear expectations of how you should be treated, and assert yourself when others say/do something that makes you uncomfortable.

Boundary violations can also occur across **6 different contexts**:

- *Physical* boundary violations include: forced physical contact, standing too close, physical abuse, or privacy invasion. Set boundaries with statements like: "I'd prefer handshakes, not hugs" or "Please don't read my journal as it violates my privacy."

- *Sexual* boundary violations include: unwelcomed sexual acts/ touches, or inappropriate jokes and comments. Enforce boundaries with statements like: "Remove your hand from my thigh" or "Your comment is sexually inappropriate."

- *Intellectual* boundary violations include: belittling others' beliefs, laughing at someone's ideas, shouting during disagreements, or having age-inappropriate discussions. Assert boundaries with statements like: "I don't think this topic is suitable for a child" or "You can disagree without raising your voice."

KEY QUOTES

"How they treat you is about who they are, not who you are."

- *Emotional* boundary violations include: oversharing, emotional dumping, invalidating others' feelings, pressuring others to disclose personal info, or gossiping about others' personal lives. Set boundaries with statements like: "I don't feel comfortable talking about this" or "It's not okay for you to tell me how I should feel."

- *Material* boundary violations include: borrowing items without permission, or returning them in a worse condition. Establish boundaries with statements like: "You may borrow my car, but please return it by Friday with the tank full" or "Please ask for permission before using my things."

- *Time* boundary violations include: calling/texting late at night, expecting immediate assistance, or requesting free services. Set boundaries by saying: "I'm not available to discuss work after 8pm" or "I can assist with your presentation, but my fee is $100."

Developing Self-Respect and Self-Discipline

You must respect and honor your own boundaries before expecting others to do so. Build self-discipline through **healthy self-boundaries** in various aspects of your life:

- *Financial boundaries*: Save, invest, and spend within your means. Don't lend money that you can't afford to lose.

- *Time boundaries*: Allocate your time based on priorities. Be punctual, plan ahead for each day, and consult your schedule before taking on new commitments.

- *Self-care boundaries*: Nurture your mind, body, and spirit. Decline engagements that don't align with your values or contribute to your growth and well-being.

- *Internal boundaries*: Monitor your self-talk and inner dialogue. Treat yourself kindly and coach yourself through challenges. Decide how you wish to handle difficult situations, e.g. to calm down before responding.

- *Interpersonal boundaries*: Consider how you allow others to treat you. If you feel exploited, ask yourself whether you've asserted your need for respect. Choose the type of people you want to spend time with.

KEY QUOTES

"If you don't uphold your boundaries, others won't either."

"Self-discipline is the act of creating boundaries for yourself."

"It's your responsibility to care for yourself without excuses."

"People can ask you for anything, but it's up to you to maintain your boundaries."

Beware of **self-sabotage and self-betrayal**. Honor promises to yourself, uphold your values, focus on things within your control, and stop comparing with others.

Constantly **refresh and restate** your boundaries as you grow and evolve.

Applying Healthy Boundaries in Life

Family. Set boundaries respectfully with your family members, including: parents, in-laws, siblings, and children.

- Many adults find it hard to say "no" to their *parents* because they don't want to disappoint them. Yet, misunderstandings and conflicts can arise from a lack of boundaries around personal space, privacy, participation in family events, or respect for your parenting style. Learn to verbalize your boundaries, e.g. "Sis and I are both adults. Please let us resolve our own conflicts."

- Parents should also respect *children's* boundaries.

  (i) You can define limits and acceptable behaviors while recognizing their personal preferences. If your child dislikes certain food, clothing, or people, give them some healthy options instead of forcing them to your will.

  (ii) Don't ignore their requests when they say things like: "Can you stop saying nasty things about Mum?" or "Why are you always on your phone when we talk?"

  (iii) Keep discussions age-appropriate. Don't burden children with adult problems.

  (iv) Role-model healthy boundaries by displaying self-care, self-discipline, and the ability to say/receive "no" as an answer.

- Family boundaries also extend to *other areas* including holiday arrangements (frequency, accommodation, time spent together), or interactions with siblings, uncles/aunties, grandparents, and other extended family members.

Romantic relationships: Seek a partner who shares your goals, values, and desires. Don't expect him/her to change for you.

KEY QUOTES

"Don't betray yourself to please others."

"You become an adult when you set boundaries with your parents."

"As difficult as it might seem, improving boundaries with your family is likely to create better relationships with them."

- *Communication* can make or break a relationship

  (i) Define what a healthy relationship looks like to you. What are your needs, and how can your partner fulfill them?

  (ii) Discuss your mutual expectations as early as possible in the relationship. Consider questions like: Is this a monogamous relationship? Do you envision marriage? What are your deal-breakers? Pre-marital discussions should include financial and family planning, parenting styles, and familial relationships.

  (iii) Create a safe space for open communication, and commit to address issues early before they escalate.

- Boundary-setting is especially crucial for a few *challenging periods* in a long-term relationship:

  (i) *The first year*: Couples must navigate shared spaces, finances, and new roles. Challenges include: balancing personal time with multiple roles, splitting household tasks, and managing extended family relationships.

  (ii) *Parenthood* changes the relationship dynamic from romantic to practical, and you must also align your parenting styles and philosophies. Ideally, discuss how you wish to maintain the relationship before the child arrives.

  (iii) *Empty-nesters*: When the children grow up and leave home, the couple must re-establish routines and boundaries, and rekindle their relationship.

Friendships: Healthy friendships involve mutual support and acceptance, not competition and one-sided relationships.

- A common problem is when friends *complain incessantly*.
  - Typically, complaints fall into 3 categories: (i) venting to move on, (ii) seeking advice to solve a problem, or (iii) ruminating without any intent of resolving the issue. The last category is usually the problematic one.
  - To deal with a chronic complainer, you can: (i) change the subject, (ii) validate their feelings if appropriate, (iii) be honest if you're uneasy about providing advice, or (iv) set a time limit for such discussions.

KEY QUOTES

"We don't naturally fall into perfect relationships; we create them."

"Having uncomfortable conversations can save relationships."

"Open communication works best when done proactively before a small issue becomes a big problem."

"You can't re-create what you had before, but you can create something new."

- If you're usually the one complaining, be mindful about how often you do so, and use journaling to process your feelings. When you share your concerns with others, make it clear if you're venting or seeking advice.

- You can also set boundaries for *other friendship challenges*:

  (i) If you're tired of acting as a relationship adviser, state so or redirect the conversation.

  (ii) If you keep receiving unsolicited advice, share less or clarify upfront that you're venting (not seeking advice).

  (iii) If your advice is repeatedly ignored, step back and let your friends learn from their own experiences.

  (iv) If your friend often borrows money/possessions from you, it's ok to decline or set specific limits.

- Sometimes, it's better to *end a friendship* if it's toxic or you've simply outgrown it. Don't try to force things back to how they used to be, or to mend what's irreparable. If you've decided to end a friendship, you can let it fade naturally, cease all contact, or have a formal closing conversation. Choose the approach that fits the specific friendship.

Work: Overwhelm or burnout at work are signs of inadequate boundaries.

- *Common work boundary issues* include: overwork, unpaid overtime, constant gossiping, intrusive personal questions, discrimination, or sexual harassment. All these contribute to a toxic work environment.

- Changing jobs won't help unless you learn to set *healthy work boundaries*.

  (i) Tackle the most draining/taxing aspects of your job first. Define the required boundaries and articulate your needs.

  (ii) Document your workload, including dates and times. If possible, set limits for your workload and working hours, and resist working on weekends or during vacations.

  (iii) Ask for help if you need it. Delegate wherever possible, and never offer your professional services for free.

KEY QUOTES

"Our relationships are a reflection of our boundaries or lack thereof."

"People will do what you allow, and they will do it over and over again until you stop them."

"All life changes require a shift in boundaries, and some relationships don't survive the changes."

"You can't outrun your inability to set boundaries."

(iv) Instead of complaining about work, focus on issues you can address, and discuss work culture problems with your boss or HR department.

(v) Set aside personal time before and after work each day. Take lunch breaks away from work, use vacation time to recharge, and explore interests outside work. Decide how far to participate in social events outside office hours.

(vi) Build healthy relationships with supportive colleagues, and also seek support outside your workplace.

Technology and social media. Set digital boundaries to safeguard your focus, energy, productivity, and relationships.

- *Signs of tech-overuse* include: being constantly on your phone (even during work or social events), using your phone as a form of escape, and experiencing negative effects on your mental-emotional health.

- To control your digital intake and *prevent tech overwhelm*:

(i) Combat the fear of missing out (FOMO): redirect your energy to more meaningful activities like journaling or exercising.

(ii) When navigating social media, remember that it's impossible to please everyone. Instead of engaging in arguments, preserve your energy and unfollow/block/mute users who drain you. Only follow content that uplifts you, and skip over things that don't resonate.

(iii) Consider using a private account to control who follows you on social media (especially if you're an influencer). Establish clear boundaries with your online communities.

(iv) Limit your screen time. Set time blocks for the TV and Internet, and limit news to specific times of the day. Keep your phone away from your bed and start your day device-free. Or, set aside phone-free hours each day.

(v) Set tech rules for yourself and your family, e.g. no devices during dinners. Discuss relationship-specific boundaries with your partner, e.g. is it ok to interact online with exes or share about your relationship?

KEY QUOTES

"Just because you're at work doesn't mean you can't set limits."

"You can't please everyone, because everyone's needs are different."

"You are who you follow, what you watch, and the websites you visit."

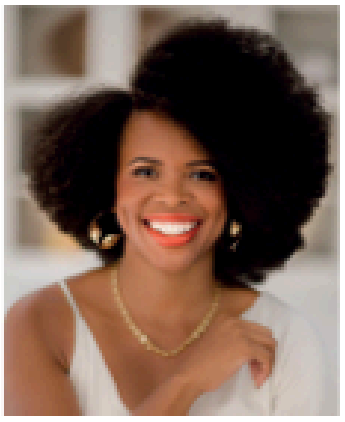
"Some people feel entitled to your time, but your time is yours to manage."

Other Details in the Book to Look out For

Remember: You can't control others' actions, but you can control how you react and what you tolerate. Boundaries in healthy relationships work both ways: you must set and enforce your boundaries while respecting others' boundaries. Use the ideas above to **enhance your relationships and your well-being**.

The book comes with many real-life examples, suggested words/phrases you can use, and checklists of behaviors and things to look out for. Each chapter comes with questions/exercises for reflection, and the book ends with a self-assessment quiz and a list of commonly asked questions. For **more details and resources**, please visit https://www.nedratawwab.com.

About the Author



Nedra Glover Tawwab is an American mental health therapist, social worker, and writer. She holds an undergraduate degree and master's of social work degree from Wthe ayne State University. Tawwab began her therapy practice in Detroit and relocated to North Carolina where she opened Kaleidoscope Counseling. She's best known for her work on relationship health and boundaries.

KEY QUOTES

"Respecting other people's limits is a beautiful way to leverage respect for your own."

CLOCKWORK

Design Your Business To Run Itself

MIKE MICHALOWICZ

The Big "So What"

Many entrepreneurs start out with a dream, but end up as slaves to their businesses. This book provides the principles and tools to help you design businesses that run like clockwork, so you can achieve success *and* regain your freedom to enjoy a healthy work/life balance.

Why Clockwork?

Many entrepreneurs are trapped in their businesses. They work long hours and even on vacations, are perpetually stressed and constantly think about work. They're short of both time and money, and dare not slow down lest the business collapses. Michalowicz's goal is to end entrepreneurial poverty. In his earlier book "Profit First", he tackled the lack of money. In this book, he tackles the lack of time.

Clockwork is built on a core principle: Work smarter, not harder.

- *Increasing productivity won't reduce your work hours.* Parkinson's Law says that work will expand to fill available time. When you're more productive, you complete your tasks faster but keep adding more to your plate to fill the free time, resulting in a vicious cycle of greater productivity but more work.

- Regardless of your company size (be it 1 person or 100), *organizational efficiency* is about getting the most important work done with the least resources. It's *not* about doing more. Unfortunately, it's easier to keep doing more of

KEY QUOTES

"It's not about doing more with less. It's about doing less with less to achieve more."

"I am committed to never again letting an entrepreneur live with lack: Lack of money. Lack of time. Lack of life."

"The more money we have to spend, the more we spend. The more time we have, the more of it we spend working."

"'Work harder' is the mantra of both the growing and collapsing business."

what's familiar (even if it's unpleasant or unimpactful) than to do what's truly important (but new or unfamiliar).

- Stop trying to solve every problem yourself. Don't get caught in the "*survival trap*", where you drop everything each time a crisis surfaces—you may feel good about solving a problem, but the business actually goes off-track and suffers in the long run.

- To regain your freedom, allocate *less* time for your business and force yourself to achieve more within that limited time. That way, you can *increase your impact and free up time* for other life priorities.

The 4Ds and 7 Stages of a Clockwork Business

The 4Ds. There are 4 key sets of activities that any entrepreneur must perform:

- *Doing*: In the start-up phase, most entrepreneurs (especially solopreneurs) do everything themselves.

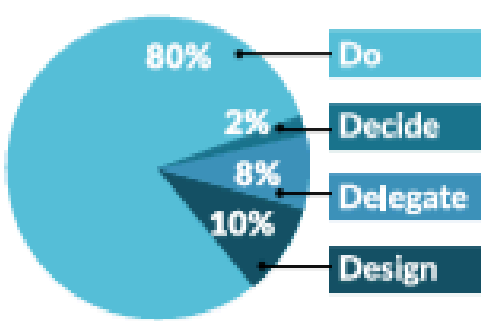
- *Deciding*: As the owner hires employees or contractors, he/she may assign tasks to others. However, the owner is still giving all the instructions and making all the decisions. Until employees are given the chance to make their own decisions and take responsibility for them, they can't truly learn.

- *Delegating*: The employees are now empowered to make decisions about the task and are fully accountable for the results. However, the owner must let go of the need for perfection or full control.

- *Designing*: By now, the business can run on its own, and you're focusing on improving the business flow instead of being stuck in the daily grind. This is when you're truly free to enjoy your business and build your dreams.

The ideal 4D mix is:

- 80% doing
- 2% making decision for others



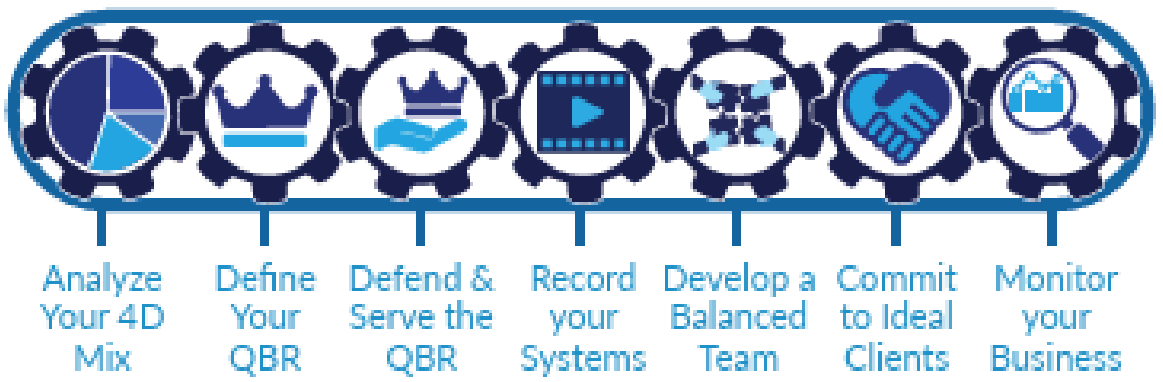
KEY QUOTES

"Life is about impact, not hours."

"Organizational efficiency is when all the gears of your business mesh together in harmony...It is about managing resources so that the important work gets done, instead of always rushing."

- 8% delegating outcomes
- 10% designing

Most entrepreneurs spend too much time Doing and not enough time Designing their business. You can progressively shift to the ideal 4D mix and build a Clockwork business in 7 stages.



Before you begin, commit to the process. Make yourself accountable to someone, e.g. send an email to a colleague/ friend to outline your commitment to redesign your business.

KEY QUOTES

"Trying to build a business by just Doing and without Designing is like walking through a dense forest while blindfolded."

Implementing The 7 Stages of Clockwork

1. Analyze Your 4D Mix

Analyze your company's 4D mix, starting with your own 4D mix.

- Fill in the *Time Analysis Worksheet* below for the last 5 days you worked, or start tracking your next 5 days of work.

TIME ANALYSIS WORKSHEET					
DATE	ACTIVITY	START	FINISH	TIME SPENT	WORK TYPE
					Do/Decide/Delegate/Design
					Do/Decide/Delegate/Design
					Do/Decide/Delegate/Design
					Do/Decide/Delegate/Design
					Do/Decide/Delegate/Design
TOTAL TIME: Doing _____ Deciding_____ Delegating _____ Designing _____					

- Add up the *total time spent* on each of the 4Ds and calculate the % of time spent on each component.

- Find the *4D mix for your company*, i.e. the aggregate of all employees' 4D mix. If you have a large company, develop charts to show the 4D mix for different departments.

- Compare your existing and ideal 4D mix to *identify the gaps*. For example, if your company's mix for Doing, Deciding, Delegating and Designing is 55/30/0/15 (vs the optimal mix of 80/2/8/10), too much time is spent directing people when it should be used to get things done or train people to make their own decisions.

Key Action(s)

- Set aside just **1% of your work time** to start designing your business.
- **Commit weekly time** in your calendar for the next 18 months. Choose a slot at the *start* of the week while your mind is fresh.

KEY QUOTES

"When your desired outcome is also their desired outcome, you are better able to let go and let your team do their jobs."

2. Define Your Organization's Queen Bee Role

Every bee colony has a queen bee, whose primary role is to lay eggs. Without this Queen Bee Role (QBR), the colony can't thrive and grow. Hence, every bee's top priority is to protect and serve the queen bee so she can focus on performing the role. Only when the Queen Bee is properly performing her role do the bees go about doing their Primary Job. Your organization's QBR is the key function that your business success hinges upon.

Use the Sticky Note Method to define your company's QBR. Do this with your team (or on your own if you're a solopreneur).

- Prepare at least 6 sticky notes per person. Everyone writes down his/her *6 most important tasks* and the estimated time spent on each. Use 1 note per task (e.g. sales, communication).

- Next, each person *removes the 2 least important tasks*, i.e. pretend they can't do the tasks *at all* in future.

"A clockwork business is a business that delivers consistent results, including growth goals, without your active involvement."

Put away the 2 notes, explain why the 4 remaining tasks are more crucial, and how they'd elevate those tasks to cover the loss of the other 2.

- Remove 1 more task and repeat the justification process. Keep going until each person is left with only 1 most crucial task—this is the *Primary Job* which is second only to the QBR. Use the discussions to align what you and your employees think the Primary Jobs should be.

- If you're a solopreneur, your Primary Job *is* the QBR. If you have a team, collect all the notes with the Primary Jobs and repeat the process to distill the *company's QBR*. Different employees may have the same Primary Job, but there should only be 1 overarching QBR for the company. Ask yourself: does the success of your business truly rely on that *one role*? For example, the Savannah Bananas baseball team's QBR isn't to play extraordinary baseball; it's to provide the crowd with "extraordinary entertainment". Such clarity helps *every* person on the team to focus on entertaining the crowd before they move on to their Primary Jobs.

Key Action(s)

Use the Sticky Note Method to identify your company's QBR. Announce it to the entire organization.

3. *Defend and Support the Queen Bee Role*

Once you've identified your QBR, every person on the team must protect and serve the QBR as a top priority.

- Support people who're performing the QBR so they can give it their full attention. Once the *QBR is properly served*, things will fall in place and people can return to their own Primary Roles.

- In a hospital *emergency room (ER)*, the QBR is to accurately diagnose the medical issue and define the right course of action. This QBR is literally a matter of life and death, and every ER staff and system must protect the doctors' ability to perform that role. For example, doctors shouldn't have

KEY QUOTES

"If you don't pick the one thing, you will continue to dilute your business's uniqueness and cripple its ability to run on automatic."

"The QBR is never a person, or machine, for that matter. It is always a role, a function, or a task."

"The QBR is the linchpin to a business designed to run itself."

"Protect and serve the QBR as though your life depends on it, and your business becomes the 'must go there' for customers."

to handle admin tasks when there're ER patients waiting to be diagnosed.

Use the Hub and Spoke Exercise to see how far you (and your team) are focusing on the QBR, Primary Job vs other distractions.

- Create a *hub and spoke diagram*. Draw your QBR, add the other 5 key tasks (from the Sticky Note exercise) in boxes around the QBR, and connect them with spokes. The length of each spoke should be proportionate to the time spent on the task.

- Create a table of up to *10 additional tasks* with the time spent on each (refer to your earlier Time Analysis).

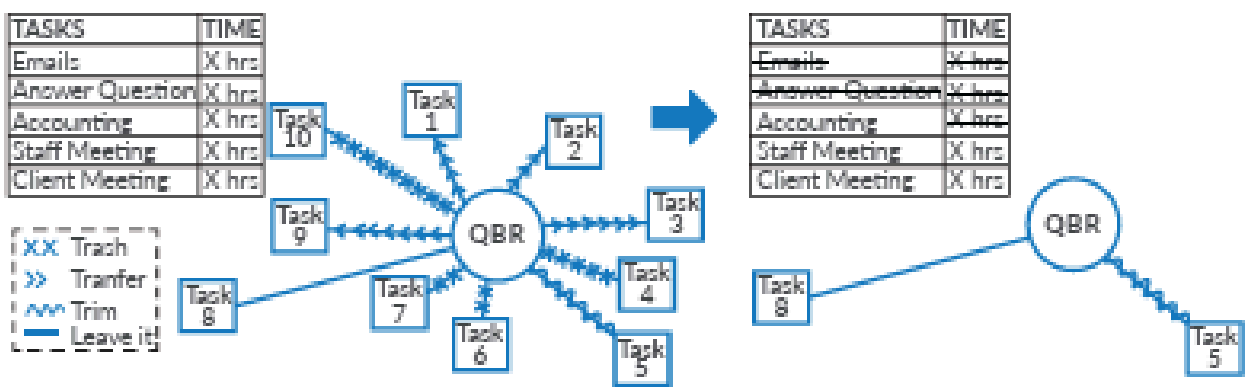
- The diagram and table will jointly give you a visual representation of the tasks keeping you from your QBR. "*Trash, Transfer and Trim*" the items, starting with those with the longest spokes and work your way inward to the QBR.

(i) Cross out non-essential items that you can *thrash*, e.g. create an FAQ so you can stop replying to every question.

(ii) Draw arrows for less-skilled tasks that you can *transfer* or delegate. If you have no one to delegate to, consider hiring an intern or freelancer to perform and trim the task.

(iii) Draw a squiggly line on tasks that can be *trimmed*, i.e. things that only you can do but may be made more efficient.

(iv) Darken the lines for items that you must *continue* to do in the near future, e.g. due to contractual obligations.



KEY QUOTES

"Transfer work down to the most inexpensive resources and empower the new owner(s) of the task to achieve the intended outcome more efficiently."

"The goal is to have a few expensive skilled team members at your business, focused almost exclusively on doing the skilled work, and transferring all the other necessary, but easy, repeating tasks down the skill chain."

- Any time saved must be *redirected to the QBR*. Do the exercise yourself then for your entire company. Keep repeating the process so everyone is progressively maximizing their time on the QBR.

- *If you're currently the only one serving the QBR*, you can:

  (i) Get others to serve the QBR, by engaging your team in discussions on how best to protect/serve the QBR; or

  (ii) Choose to keep serving the QBR personally because you enjoy it (knowing that the business will still rely on you).

Key Action(s)

- Use the Hub and Spoke exercise to progressively remove distractions and increase focus on the QBR.
- Decide if you want to serve the QBR or have others do it for you.

4. Record your Systems

The QBR (and its related tasks) must be delivered consistently.

- Companies often use *Standard Operating Procedures (SOPs)*. This involves a laborious process of identifying your goals, breaking down the steps, documenting and updating them, yet people don't always follow the SOPs.

- Well, there's a simpler way. In reality, you *already* have a set of processes in your head that you currently use. All you need to do is to capture it: *record a video* of the task being performed and make it available as a training video.

- Even if you're a startup with no established systems, you can *find existing systems* on Youtube, then adapt them for your business.

To record your systems:

- Start by identifying the processes and approach involved, including (i) verbal/written communication, (ii) physical action and/or (iii) interaction with something (e.g. a

KEY QUOTES

"When you serve the QBR you are the heart of the organization. When you choose to have others serve the QBR, you become the soul of the organization."

"Waste of materials, waste of money, and waste of time are the bane of every business and must be addressed constantly."

"The systems have already been created. Your job is to capture what is in your head, or to use what other people have already captured from their heads."

"The goal is not to create systems; the goal is to capture systems—and do it easily."

For example, Profit First's QBR is to spread the word on Profit First, and they measure this via the number of presentations being made (including live events, podcasts etc).

- Any metric that's higher or lower than expected should be investigated. To identify the root cause, *test 1 variable at a time* and record the results. Do *not* test multiple variables concurrently as they may influence one another to mask the real issue. However, you can do multiple tests if the outcomes are clearly independent.

When you successfully serve your QBR, you may find yourself struggling to cope with the growth in demand. For example, an explosion in new leads can create a conversion bottleneck. If you need $1mil sales this year (50 clients x $20k each) to achieve your long-term goals, then you can ease the conversion load by creating an automated process to filter out customers with >$15-20k budget for follow up.

Key Action(s)

Take 20 minutes to determine the core metrics for your business. You can also get professional advice from RunLikeClockWork.com.

Building your Clockwork Business

Building a Clockwork business takes time and effort, and you'll definitely experience resistance to change at various levels:

- *Self*: As your business starts to run without you, you may feel redundant and unappreciated. Resist the temptation to reinsert yourself in the business and start Doing things. Stay focused on the hardest work: to think deeply and Design the business.

- *Partners and stakeholders*: Your business partners, employees, vendors and other stakeholders are likely to push back. They may argue that you aren't doing enough, or question the changes out of insecurity. Generally, partners are the hardest stakeholders to manage—help everyone

KEY QUOTES

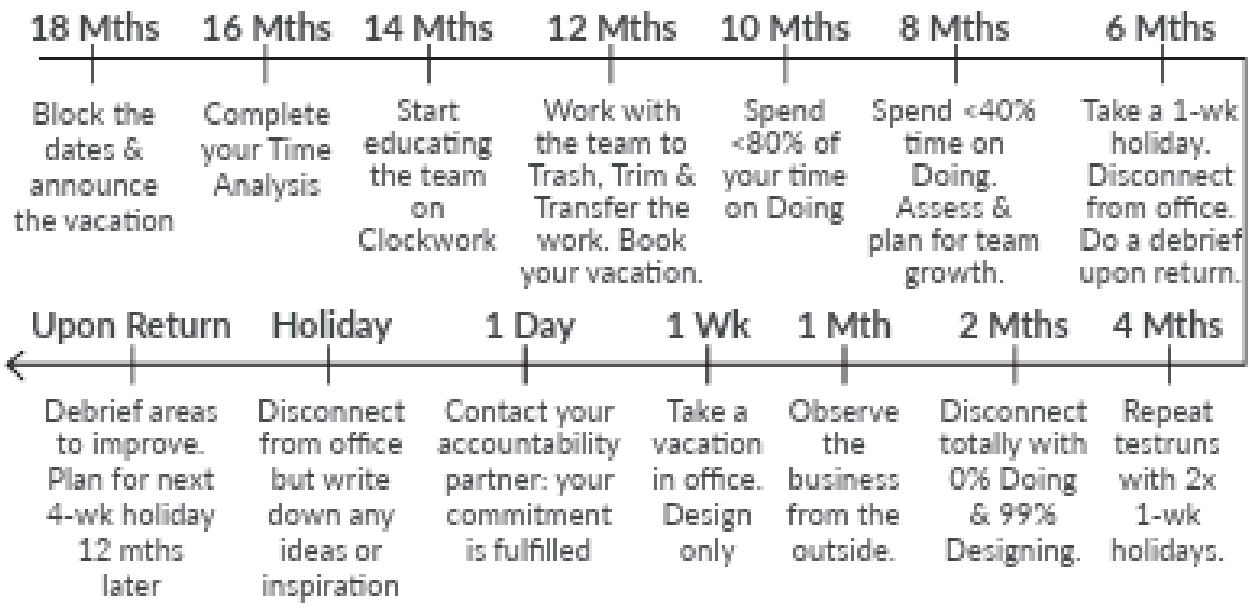
"Yes, change is hard. It is also going to get you what you want: a business that runs itself."

"Instead of doing the work, you need to be thinking about the work, and who you can get to do it."

on the executive team to understand the value of creating a Clockwork company and why you must shift from Doing to Designing. Set aside time to communicate your plans and goals, gather feedback, address concerns and help people to understand what to expect and where they'll fit in.

The final step is to take a four-week vacation, during which you disconnect from the business and let it run by itself.

- A 4-week period is typically long enough to complete a business work cycle. If your business can survive without you for 4 weeks, it can probably continue to run on its own.
- In the book, Michalowicz details an 18 month plan to help you work toward that 4-week holiday. Here's a brief outline:



Key Action(s)

- Engage people in open conversations about the company's direction and address their concerns on the transition.
- Start working toward your 4-week holiday 18-24 months later.

Other Details in the Book to Look out For

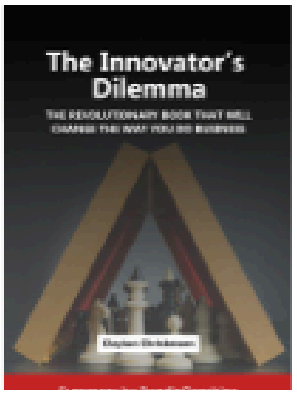
This is a detailed guidebook with many case studies of the various Clockwork concepts at work, including examples of real-life entrepreneurs who have used the principles in their businesses. Michalowicz ends with a detailed 18-month plan to help you roll out the 7 steps. For more details, and resources, please visit RunLikeClockWork.com.

KEY QUOTES

"Clockwork is not a system for you. It is a system for your entire company. Everyone needs to know it. Everyone needs to be on the same page."

"That is the power of Clockwork. You aren't forced to leave your business; you are freed to leave."

"No matter what you have or don't have; no matter what challenges you face and what mistakes you've made; no matter what, you can grow a profitable business that runs itself."



THE INNOVATOR'S DILEMMA

Revolutionary Thinking that will Change the Way you do Business

Clayton M. Christensen

THE BIG "SO WHAT"

Why do good, successful companies that do all the "right" things still fail or lose their market leadership in face of unexpected competition? The book answers this question, and shows how the same (good) practices that lead to a business's success can eventually lead to its demise – *this* is the innovator's dilemma. The book proposes a set of rules that CEOs, entrepreneurs and managers can apply to solve this dilemma.

HOW CAN GREAT FIRMS FAIL?

Insights from the Hard Drive Industry

Christensen started his research using the hard disk drive industry, which is characterized by rampant and rapid changes, with a high rate of failure:

- Between the 1970s to 1990s, the price per megabyte (MB) decreased at about 5% per quarter, while the amount of information in one square inch of disk surface increased by 35% per year on average.
- Between 1976 and 1995, all of the 17 (relatively large) firms in the industry - except IBM - failed or were acquired. Another 109 out of the 129 new entrants also failed.

Did these firms fail because they could not cope with the relentless onslaught of technology change? No, they failed because of the introduction of "disruptive technologies" in their industry.

In particular, the 2 management principles below are important to leading firms' success. However, they are also the reason for their demise in the face of unexpected technology change:

KEY QUOTES

"This book is about the failure of…well-managed companies that have their competitive antennae up, listen astutely to their customers, invest aggressively in new technologies , and yet still lose market dominance."

An Innovator's Dilemma

"The logical, competent decisions of management that are critical to the success of their companies are also the reasons why they lose their positions of leadership."

"Many of what are now widely accepted principles of good management are, in fact, only situationally appropriate."

"Blindly following the maxim that good managers should keep close to their customers can sometimes be a fatal mistake."

"Neither the pace nor the difficulty of technological change lay at the root of the leading firms' failures."

- Always listen to and respond to the needs of your best customers.
- Focus your investments on innovations that promise the highest returns

The book explains this dilemma in detail.

SUSTAINING TECHNOLOGIES VS DISRUPTIVE TECHNOLOGIES

Christensen differentiates between 2 strategically different technologies. Established firms generally beat newcomers at sustaining innovations, but lose their leadership positions due to disruptive innovations.

[Note: Technology in the book refers to "the process by which an organization transforms labor, capital, materials and information into products and services of greater value". Innovation refers to a change in one of these technologies].

Disruptive innovations are often technologically straightforward, e.g. PCs vs mainframes. They are usually a novel combination of off-the shelf components that are cheaper, simpler, smaller, and more convenient to use. They cannot serve the needs of mainstream markets, but offer value to fringe consumers and hence create new markets (that are initially unattractive to incumbents). Over time, they can be improved to take over older markets.

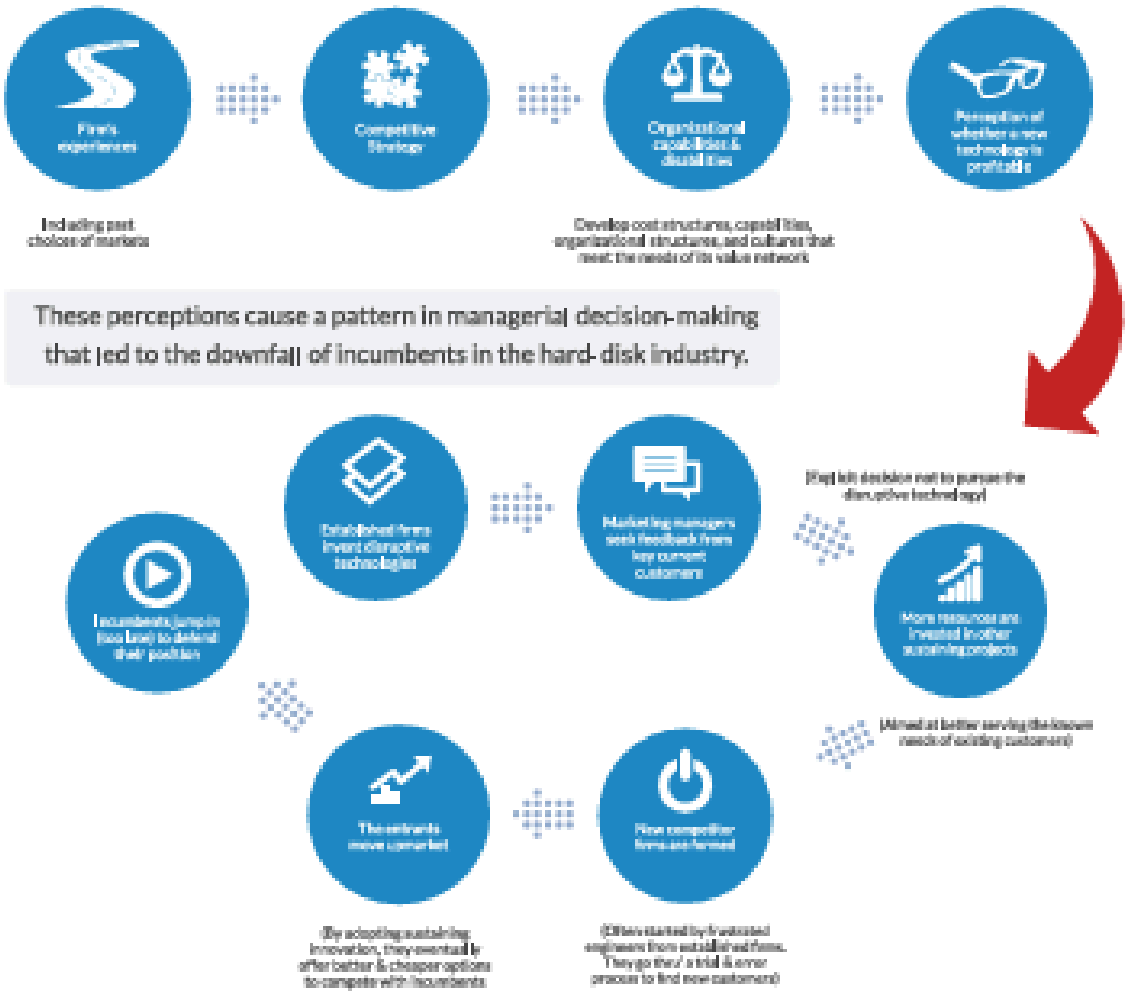
BARRIERS TO INNOVATION

Through his study, Christensen found that leading firms do not commit to disruptive technologies until it is too late. There are 2 factors at play:

KEY QUOTES

"Their failures resulted from delay in making the strategic commitment to enter the emerging market."

Value Networks: These are the contexts within which firms identify and respond to customers' needs, solve problems, secure resources, react to competitors and seek profits. A company's past experiences results in its perceptions and eventually decisions/patterns of resource allocation within the value network.



The technology S-curve is commonly used by established firms for decision-making on how to invest in or improve their solutions for existing customers, based on the technology lifecycle. Disruptive technologies pose a challenge because they cannot be plotted and analyzed on the same chart as the typical S-curves (as they offer different types of value).

Barriers to downward mobility: Established firms also face 3 barriers to downward mobility:

(i) Characteristic cost structures

Most leading companies are successful because they have developed their image, cost and profit structures that allow them to be competitive in their value networks. It is hard to cut costs to move down-market profitably.

KEY QUOTES

(ii) Resource allocation

Decision-making models (whether top-down or bottom-up) tend to favor upward mobility in resource allocation. Management tends to select projects that are most consistent with the firm's strategy, offer the highest return on investment, and has the most assured market demand.

(iii) Upmarket movement of customers

The firm's customers may themselves be migrating upmarket, prompting the firm to invest in offerings with higher/more premium value.

As leading firms continue to move up-market, it creates a vacuum in the lower-end markets, attracting firms with lower cost structures and simpler technologies to enter.

THE IMPACT OF DISRUPTIVE INNOVATION IN OTHER INDUSTRIES

Christensen showed how the Innovator's Dilemma also affected firms in the Mechanical Excavator industry and the Steel industry:

The Mechanical Excavator Industry had leading firms with a long history of successful innovations, moving from steam-powered to gasoline-powered excavators. However, the incumbents were wiped out because they did not embrace hydraulic excavators until it was too late. Younger entrants that focused on this disruptive innovation eventually dominated the market (though it took 20 years for the hydraulic technology to become viable for mainstream customers).

Steel Industry. "Minimills" started out operating at a fraction of the cost and scale of large "integrated mills", serving different market niches. Because of the small scale and different operating models, they could embrace new technologies and opportunities in a way that the larger integrated mills could not, and gradually moved upmarket to replace the integrated mills.

KEY QUOTES

THE 5 PRINCIPLES OF DISRUPTIVE INNOVATION

To address the innovator's dilemma, Christensen proposes 5 laws/principles of disruptive technology, derived from studying a mix of companies that succeeded and failed when faced with disruptive technologies. He stresses the importance for managers to understand these principles rather than to use them as model answers.

Principle 1:
Companies depend on customers & investors for resources

The theory of resource dependence says that customers and investors (not managers) are the ones who really control how resources are allocated in organizations.

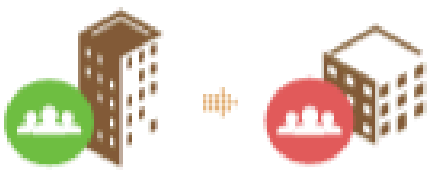
Good resource allocation processes are hence designed to sieve out proposals that customers don't want, by default weeding out disruptive innovations. Managers also typically focus on:

(a) Projects that are aligned with the company's most profitable customers and products; and

(b) Highly profitable innovation programs that can propel their personal career forward.

Disruptive innovations do not fulfil these considerations.

Solution: Create an independent organization that is responsible to serve the new customer needs using disruptive technologies.



The same organization cannot concurrently support mainstream customers and pursue disruptive innovations, due to the different cost structures and models required. From the case studies, it is seen that mainstream companies that successfully established a strong position in disruptive technologies did so by setting up new and independent businesses around the technologies.

This places the technology in a different value network, allows managers to use different success metrics, think like new entrants to the markets, and be free from current constraints.

The book provides detailed case studies on the success/failure of:

KEY QUOTES

The 5 Laws
"I'm particularly anxious that managers read these chapters for understanding, rather than for simple answers."

"It is the customers, rather than the managers, who really determine what a firm will do. It is forces outside the organization, rather than the managers within it, that dictate the company's course."

"Projects targeted at the explicit needs of current customers or at the needs of existing users...will always win over proposals to develop products for markets that do not exist. The best resource allocation systems are designed precisely to weed out ideas that are unlikely to find large, profitable, receptive markets."

"Creating an independent organization, with a cost structure honed to achieve profitability at the low margins characteristic of the most disruptive technologies, is the only viable way for established firms to harness this principle."

- Digital Equipment Corporation (DEC), IBM and the personal computer
- Kresge, Woolworth and discount retailing
- Hewlett-Packard's Laser-jet vs Ink-jet printers

Principle 2:

Small markets don't solve the growth needs of large companies

Large and successful companies typically don't invest in disruptive technologies because:

- Although disruptive technologies usually create new markets, these new markets are initially not attractive enough to large companies. For example, a 20% growth for a $40 million company is just $8m, while a 20% growth for a $4 billion company is $800 million – no new market is singularly large enough for large companies.
- Disruptive technologies are typically simpler and cheaper, with lower profit margins. They also tend to be most suitable for launch with new and less profitable customers in the market.

Although it is viable to adopt a follower strategy in either sustaining or disruptive technologies, a leadership position in disruptive technologies can bring rapid growth and enormous value in the long run.

Solution: Match the size of the organization to the size of the market.

When setting up an independent organization, match its size to that of the market. This ensures that:

- The smaller organization can respond most nimbly to the new market(s), to develop first-mover advantages without distracting the leaders from the main business of the company; and
- The market is large enough to excite the management of the new organization(s).

Johnson & Johnson, for example, has 160 autonomous companies, each of which can introduce small disruptive products (e.g. disposable contact lenses).

KEY QUOTES

"Small organizations can most easily respond to the opportunities for growth in a small market."

Principle 3:
Markets that don't exist can't be analyzed

Sustaining technologies work well with the process of sound market research, good planning, followed by execution. However, for disruptive technologies, the markets are new and there's no existing market data. None of the past market data, revenues or costs projections are relevant.

Solution: Match the size of the organization to the size of the market.

When doing "discovery-based planning", managers should work on the assumption that their forecasts and strategies are wrong. Investments and management focus should be on learning what needs to be known.

The initial learning is largely through trial-and-error, and failures are inevitable. Take a flexible and exploratory approach in your strategy, and set aside adequate resources to revise your approach based on real-time learning.

Marketing strategy:

- Openly acknowledge that the disruptive technology is not currently applicable to mainstream markets. Instead, focus on creating a market that could appreciate its attributes, such that its weaknesses become its strengths.
- Avoid using existing research data for decision-making. Instead, use "agnostic marketing", i.e. watch how customers use the products, rather than listen to what they say. Assume that no one – even the customers - know if, how, or in what quantities they will use the product until they try it.
- Set up a business plan for learning (not executing a fixed strategy). Identify the most critical information needed, and in what sequence the information is required.

Product Development Strategy:

Develop a product that:

- Is simple, reliable, and convenient;

KEY QUOTES

"Not only are the market applications for disruptive technologies unknown at the time of their development, they are unknowable."

"Because markets for disruptive technologies are unpredictable, companies' initial strategies for entering these markets will generally be wrong."

"Guessing the right strategy at the outset isn't nearly as important to success as conserving enough resources...so that new business initiatives get a second or third stab at getting it right."

"(Successful new entrants) sold their products without a clear marketing strategy– essentially selling to whoever would buy. Out of what was largely a trial-anderror approach to the market, the ultimately dominant applications for their products emerged."

- Has features, functions and styles that can be made quickly and at low cost; and
- Must hit a low price point

Technology Strategy:

Disruptive technologies usually offer great value by putting together proven technologies in a novel way. Technological breakthroughs are hence not required.

Distribution Strategy:

Acknowledge the need to find new distribution channels aligned with the new market requirements. The book provides detailed case studies on:

- Hewlett-Packard and the failed Kittyhawk project; and
- Honda's successful invasion of the North American motorcycle industry

Principle 4:
An organization's capabilities define its disabilities.

Good managers tend to assign capable people to the job, based on their skills, experiences and values. Just because an individual has the requisite skills for the job doesn't mean the organization has the requisite capabilities.

Solution: Appraise your organization's capabilities and disabilities.

To identify where the core competencies of a firm reside, Christensen recommends the Resources-Processes-Values (RPV) framework.

Resources:

These are assets or things "that can be hired and fired, bought and sold, depreciated or enhanced", e.g. people, equipment, technology, product designs, brands, information, energy, cash, relationships. They usually can be transferred.

Processes:

These are the methods by which the organization transforms inputs of resources into outputs of higher value. They are visible, and can be formal, informal or cultural in nature. These processes help employees to perform recurrent tasks consistently but can

KEY QUOTES

"Organizations have capabilities that exist independently of people who work within them."

"To succeed consistently, good managers need to be skilled not just in choosing, training and motivating the right people for the right job, but in choosing, building and preparing the right organization for the job as well."

backfire when applied to disruptive technologies.

Values:

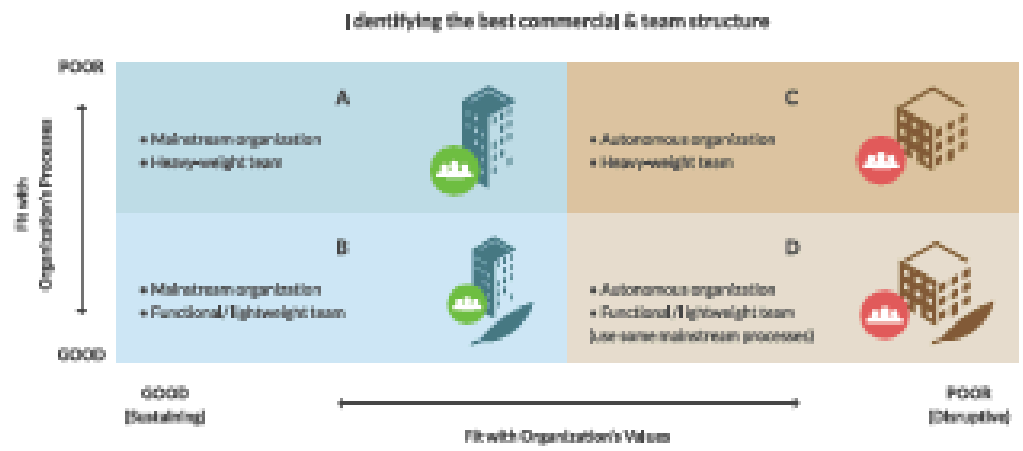
These are the criteria that determine how prioritization decisions are made. Successful organizations train employees at every level to make independent decisions that are aligned with the company's strategic direction and business model. These same values, however, also define what an organization can't do, especially with regard to the acceptable levels of profits and size of businesses.

Leading firms succeed in adopting sustaining technology because they have the resources, rigorous processes and investments that fit the companies' values. However, disruptive innovations happen so rarely that no firm has a routine process to manage them, and the margins typically do not fit with the company values.

To prepare the organization to succeed in the disruptive technology, managers must go beyond resource allocation, to also scrutinize the organization's processes and values. There are **3 ways to create new capabilities:**

- **Acquisition** of a different organization with processes and values suited for the new task
- **Internal creation** by changing current processes and values
- Creation of **independent organizations** to develop new processes and values

Using the framework below, managers can select the best commercial structure and development team for the challenge. Generally, functional/lightweight teams are good for exploiting established capabilities, and heavyweight teams are good for creating new ones.



KEY QUOTES

"Clear, consistent, and broadly understood values, however, also define what an organization cannot do."

"When the organization's capabilities reside primarily in its people, changing to address new problems is relatively simple. But when the capabilities have come to reside in processes and values and especially when they have become embedded in culture, change can become extraordinarily difficult."

Principle 5:

Technologies can progress faster than market demand

Because technology investment and development tends to outstrip the growth in market demand, large companies tend to move up-market too quickly, over-satisfying the needs of their original customers ("performance oversupply"). In the process, they secure higher-margin/higher-performing markets, but create a vacuum at the lower price points that allow competitors with competitive technologies to come in. These technologies become disruptive when they (eventually) become fully performance-competitive against established products.

Solution: Manage the evolution of product competition, and learn to spot disruptive threats & opportunities

According to Windermere Associates, customers make their choice between competing products in the market using this "buying hierarchy": Functionality => Reliability => Convenience => Price. Companies can choose between 3 strategic options when managing the evolution of product competition:

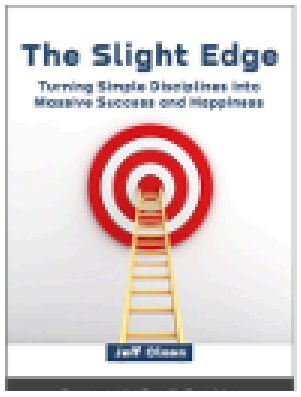
To identify if a new technology is potentially disruptive, define current mainstream market needs by watching what they do, not simply by listening to what they say. Compare the current market needs with the new technology capabilities, to check if:

The new technology works on fundamentally different value assumptions (hence they can't be used in the mainstream markets today and are likely to be doubted by existing market leaders); but

Could one day improve to be competitive in parts of the mainsteam market.

KEY QUOTES

"Differentiation loses its meaning when the features and functionality have exceeded what the market demands."



THE SLIGHT EDGE

Turning Simple Disciplines into Massive Success

JEFF OLSEN

The Big "So What"

The Slight Edge is a philosophy, a new way of thinking, to help us to make simple daily choices and take small actions, that create the compound effect to deliver the lives we desire. If you are prepared to start with just one simple, daily discipline and consistently apply the 7 Slight Edge principles, you can turn around any aspect of your life in just a few years.

Introduction

We already have all the information about success that we need. The book is about applying that information in our daily lives. The book starts with a few relatable stories to illustrate the principles of the Slight Edge at work all around us. The Slight Edge is about knowing that the small things we do – even when people are not watching – add up to create massive positive or negative outcomes in our lives. It is about consistently making the right choices every day.

THE SLIGHT EDGE

The Secret Ingredient

Our philosophies shape our attitudes, actions and results, which in turn shape our lives. The Slight Edge is a philosophy; it represents a way of thinking: what we know, how we hold that knowledge, and what we do. The secret ingredient is straightforward: to do the small things over and over again until success kicks in. Most of these small things are extremely easy to do–such as choosing between a salad or a packet of French

KEY QUOTES

"There is no magic bullet, quick fix, or quantum leap method to reach success... (the Slight Edge) is a philosophy that will become a filter for every decision you make. It will give you a way to apply great information into your life in a way that will produce lasting results."

"The things you do every day, the things that don't look like they matter, do matter. They not only make a difference – they make all the difference."

"The single most important thing I can tell you about the Slight Edge is this: it's already working, right now, either for you or against you. So don't wait."

fries, saving a penny or spending a penny. Yet, compounded over time, they can produce massive results.

Putting Time on Your Side

"Consistently repeated daily actions + time = unconquerable results"

A penny, doubled every day, will grow to over $10 million in just one month. If you improved in an area by just 1% a day, you would have improved by 365% in 1 year. With each passing minute and each new choice that we make, the Slight Edge is at work – either for us or against us. Once you embrace this philosophy, you will know that if you do something long enough, you will get the results you want. But if you make the small errors of judgment long enough, you will also suffer the consequences.

If it's so simple, why doesn't everyone do it?

Things that are easy to do are just as easy not to do. Precisely because they are small decisions and actions, it won't kill us immediately if we don't do them today. A simple, positive action (e.g. exercising 30 minutes a day), repeated over time, adds up. A simple, negative action (e.g. eating a packet of potato chips), repeated over time, also adds up. But they are easy not to do.

Plant-Cultivate-Harvest: Everything goes through the plant-cultivate-harvest cycle – this requires the seeds to be planted, and time for them to grow. For the slight edge to work, you can't start with nothing. You have to at least start with a penny, a seed, i.e. you have to do something. Then, you have to keep doing it until you succeed. However, many people either expect something from nothing, or they want to go directly from plant to harvest.

KEY QUOTES

"How long will it take? Chances are it will take longer than you want it to….and when the time arrives, you'll be astonished at how quick it seemed."

"Here's the problem: every action that is easy to do, is also easy not to do."

"You plant, then you cultivate, and finally you harvest. Plan, cultivate, harvest. In today's world, everyone wants to go directly from plant to harvest."

The results are not immediately visible. The small activities are undramatic and seemingly insignificant. You don't get immediate results or feedback, and no one notices you making the small choices daily. By the time they notice your results, the work has already been done.

As a society, we tend to worship breakthroughs and quantum leaps. This can be dangerous because there is actually no magic bullet that will propel us to success - focusing on quantum leaps can prevent us from doing the small actions required to deliver results.

The 7 Slight Edge Principles

Show up, even when others drop out.

Be consistent: Showing up consistently provides structure, in small doses that are easier to handle.

Have a good attitude: Bring energy and vitality, not criticism and negativity. Surround yourself with positive people, and stay away from the naysayers. Having said that, we will still have our "funky" moments when we don't feel good – embrace this as part and parcel of life that everyone goes through.

Be committed for a long period of time. Commit to principles 1-3 above, and give yourself time to build your attitudes and beliefs, knowing that the results will eventually come.

Have faith and a burning desire

Be willing to pay the price

Practice Integrity, i.e. do the little things even when no one is watching, and do the things you said you were going to do, long after the mood to do them has left you.

KEY QUOTES

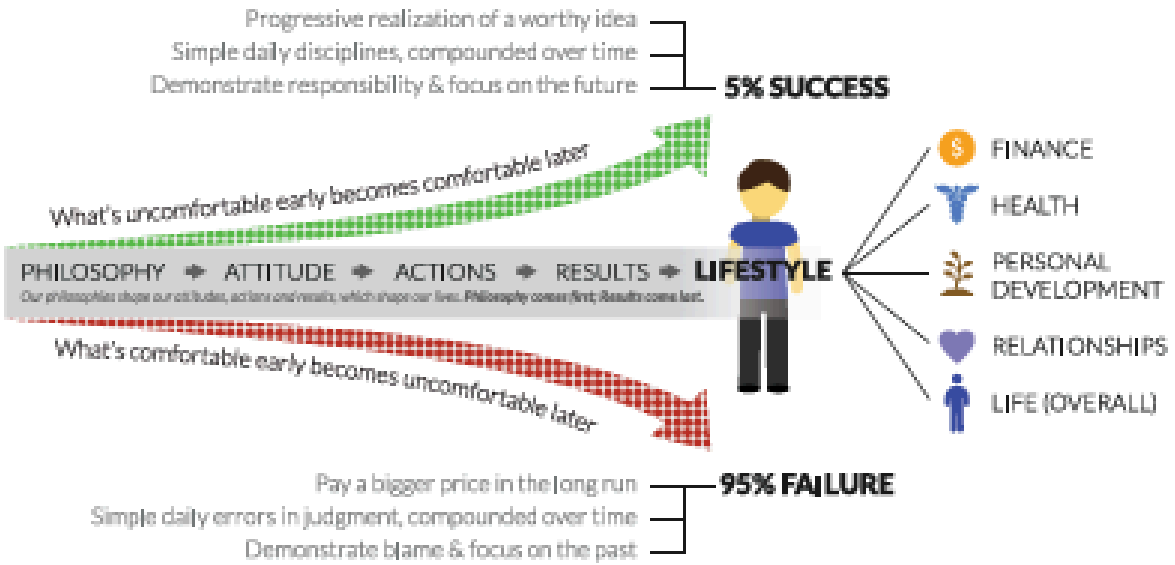
"It isn't that the actions are wrong. It's that people don't keep doing them."

"No success is immediate. Nor is any failure instantaneous. They are both products of the Slight Edge."

"The important point is to start on the path and to remember that no matter what has gone on before, you can begin fresh and new and at any time you can choose to start with a clean slate."

Two Life Paths

It has been scientifically established that space is curved. There are no such things as straight lines – everything, including your life, is curved. Your daily choices determine which curve you are on. If you are making the right choices every day, your life curve is on the upper half (which only 5% of people are on). If you are making simple errors in judgment daily, you are on the lower curve (where the majority of people are).



- **The Upper Curve:** Those on the upper curve demonstrate responsibility – they accept that they alone are the cause of where they are; they do not find excuses, not do they attach any judgment of right or wrong to the situation. They focus on the future, and use the past merely as tools to pull themselves forward.
- **The Lower Curve:** Those on the lower curve demonstrate blame – they blame themselves, others and the external environment for their circumstances. They tend to focus on the past with regret, remorse or retributions.

If we take an honest look at what we are doing daily in different aspects of our lives – our health, personal development, relationships, finances, and life itself (our impact and legacy) – we will know if we are on the upward or downward curve.

The good news is, the past doesn't equate the future. The Slight Edge is constantly at work; once you make a firm decision to step onto the upper curve and consistently apply the 7 Slight Edge principles, you can turn any area of your life around in a few years. In fact, genuine success in any one area of your life tends to spread to other areas.

KEY QUOTES

"As you walk your path, it is always, every moment of every day, curving either upward or downward."

"Responsibility starts with…the point of view…that you are the source of what you are, what you do and what you have." - Werner Erhard

"Failure, unchecked by a choice to change, is a life-long condition."

"Success in any one of these areas begin to affect all the others, too. Improve your health and you improve your relationships; work on your personal development and you have an impact on your career. Everything affects everything else."

Mastering Your Life

Mastery is a state of mind, not an end-goal or destination. Babies learning to walk never think of quitting, nor do they tell themselves "I'm not cut out for it" after a few failed attempts. We were all babies once – we just need to remember that childlike willingness to keep trying, and get back on the path of mastery.

Closing the Gap

When we want something, we both desire it and lack it. A natural tension is created between Point A (where we are) and Point B (where we could be). That gap will somehow be resolved. The question is whether we resolve it by moving Point B closer to Point A (i.e. we compromise or give up on our dreams) or we move Point A closer to Point B (i.e. we overcome our problems). The bigger a person's life, the bigger the problems that he/she faces.

When we have a strong vision or desire, we feel uncomfortable. We also make others around us uncomfortable, because we remind them of their own gaps. That is why we should be cautious who we share our goals with, as those without the right philosophies and attitudes will pull us down, out of self-defence.

Olsen shares that at a typical funeral, only ten people cry. Why live our entire lives worrying about what others thought, when only a handful of people will even care or remember us when we are gone? People who are remembered by the masses are those who dared to do what they believed in, regardless of what others thought.

Harnessing The Power of The Slight Edge

- The power of momentum: Activity is important because once you are in motion, you are harnessing the power of momentum to keep going; Once you stop, it is harder to get started again. Allow yourself to move at your optimal rate, from slow to fast.

KEY QUOTES

"Mastery is the act of setting your foot on the path."

"You gave up on the universal truth that simple little disciplines, done again and again over time, would move the biggest mountains."

"Noticing that you're not where you want to be can be uncomfortable. Wanting hurts."

"You can measure the impact a person's life has by the size of the problems he or she solves."

"Gigantic funerals are held and great crowds, sometimes entire nations, mourn for those people who spent their lives not worrying about what others thought."

The power of completion: Each time we complete something (e.g. fulfill a promise to take the kids somewhere, say "I'm sorry"), we lighten our load of the past and improve our forward mobility. If we ignore our list of incompletions, the fear or inertia that kept us from completing the tasks in the first place will compound with time.

The power of habit: When we repeat something long enough, it becomes automatic and we do it without thinking. The Slight Edge is about taking the right simple actions, over and over again, so they form positive habits that serve you.

The power of reflection: Being busy doesn't necessarily mean being productive. Reflect daily on what you are doing, so improvement becomes second nature.

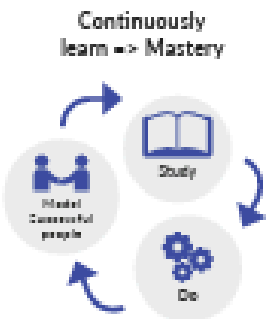
The power of celebration: Catch yourself doing something right, and celebrate each successful right choice.

Results Come Last

Our results are a function of what we have done in the past. Focusing on results means focusing on the past. To focus on the future, we need to look at controlling our thoughts (which determine our attitudes and actions), which are in turn determined by our philosophy. In short, we must start with the right philosophy to life.

Continuous Learning

Invest in your personal development, as learning is a key element of the Slight Edge philosophy. There are 3 key ways to learn:



- Learn by study
- Learn by doing
- Learn through modelling: Find people who have achieved what you want to achieve, surround yourselves with them, and emulate their success.

KEY QUOTES

"Your optimal rate of growth is always served best by a step-by-step approach of constant, never-ending improvement, which lays solid foundations and builds upon them over and over."

Every incomplete promise, commitment and agreement saps your strength... Incomplete things keep calling you back to the past to take care of them."

"The only reliable, consistent way to control your attitudes is to control your thoughts. And the source of your thoughts is your philosophy."

"Your philosophy comes first; your results come last."

"Life is not a spectator sport – it is a contact sport; there is no practice session."

The learning process involves developing an awareness of yourself and what is contributing versus hindering your progress. It requires a balance between being book-smart and street-smart, and it inherently involves a constant process of course-correction and plan-do-review.

Turning Your Dreams Into Reality

There are 4 foundational steps to goal setting:

- **Write it down:** Envision it, make it specific with all your senses, and give it a deadline.
- **Start with a plan:** Know that the plan is only our jump-off point. There is no such thing as a perfect plan; the plan that we start with will not be the same plan that brings us success. However, we need to start with our first plan in order to take our first steps, start the learning journey and refine our course.
- **Understand and pay the price:** There will be a price to pay for success, e.g. giving up the right to be right, giving up a few hours of television. In the long run, the price of doing what you should will always be smaller than the price of not doing it.
- **Look at it everyday.**

Living The Slight Edge

Olsen takes us through 5 key areas of our lives, including health, personal development, relationships, finances, and life in general. For each of these areas, list down the following:

My dreams for this area (be specific, vivid, with a deadline)

Price to pay

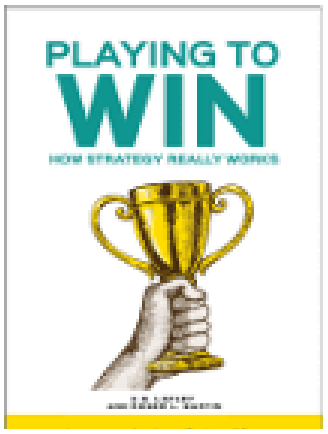
Plan to Start

One simple daily discipline

KEY QUOTES

"Whatever price you pay, there's a bigger price to pay for not doing it than the price for doing it. The price of neglect is much worse than the price of discipline."

"All the information you need is already out there – and, right here. You're already doing the actions. All you need to do is choose to have them serve and empower you – and keep on choosing."



PLAYING TO WIN

How Strategy Really Works

A.G. LAFLEY AND ROGER L. MARTIN

The Big "So What"

Any organization without a sound strategy is bound to fail. Yet, most leaders don't truly understand strategy nor how to apply it. This book demystifies strategy and equips you with concepts, frameworks, tools and processes to help your organization to win.

Introduction: What is Strategy?

The strategy framework in this book was jointly developed by the authors, who were previously the CEO of Procter & Gamble (P&G) and the dean of the Rotman School of Management respectively. When Lafley became P&G's CEO in 2000, he used this framework to revitalize the company and it has now become a standard process at P&G. This approach to strategy can be applied to any business, function, or organization.

There are several common misconceptions about strategy:

- It's untrue that strategy has become *irrelevant* with today's fast changing environment. Although there's no perfect strategy, a sound strategy can offer competitive advantage while a lack of strategy can kill any organization.
- Strategy is *not* the same as vision, mission, plans, tactics or optimizing processes—these are merely *elements of strategy*.
- Strategy is also *not* about *adopting best practices*. Benchmarking against competitors only makes you a copycat.

KEY QUOTES

"Our intent is to provide you with a do-it-yourself guide to strategy...a strategy that serves your customers better and enables you to compete more successfully and to win."

"Not only is strategy possible in times of tumultuous change, but it can be a competitive advantage and a source of significant value creation."

Fundamentally, strategy is about making specific, integrated choices to win in the marketplace.

- A good strategy starts with a *deliberate intention to win*, rather than just to survive or participate in the marketplace.
- Specifically, it involves 5 sets of inter-connected choices, which can be combined with other tools to form a single framework, process or *strategy playbook*.

In this summary, we'll elaborate on each of the 5 strategic choices, before integrating these ideas with application concepts into a strategy playbook.

Strategy: An Integrated Cascade of Choices

Basically, your strategy is your set of answers to these 5 questions:

- *What is your winning aspiration?* This is the reason you exist and the guiding purpose behind *all* your decisions.
- *Where will you play?* This is the playing field where you can achieve your aspiration, such as your geography, product category, consumer segments, channels etc.
- *How will you win?* This involves the strengths, model and value proposition that will jointly give you the competitive advantage needed to win in your chosen playing field.
- *What capabilities must be in place?* These are the set of core capabilities and reinforcing activities you'd need for your choices.
- *What management systems are required?* These are the systems, structures and measures needed to enable your core capabilities and support your choices.

These choices affect what you do and don't do. They're closely interrelated: the choices at the top cascade downward, and the choices at the bottom refine and reinforce the choices

KEY QUOTES

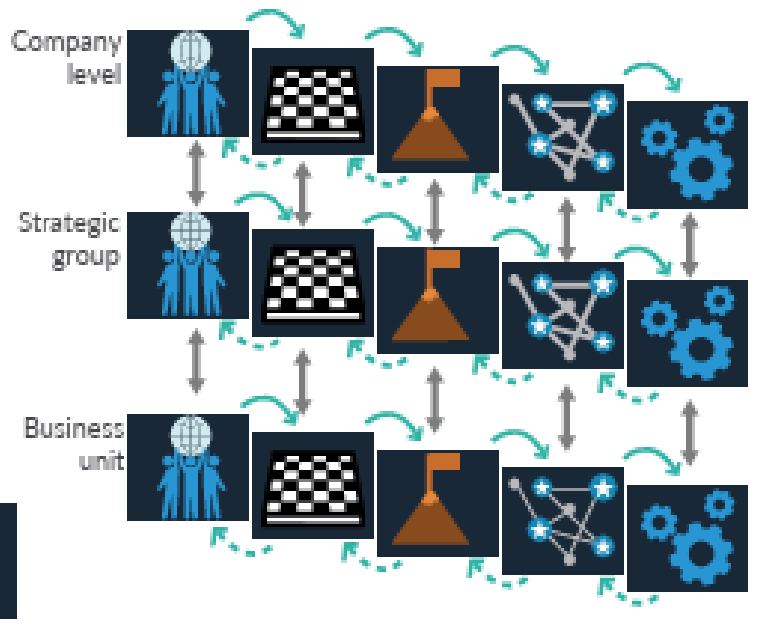
"What matters is winning. Great organizations…choose to win rather than simply play."

"A strategy is a coordinated and integrated set of where-to-play, how-to-win, core capability, and management system choices that uniquely meet a consumer's needs, thereby creating competitive advantage and superior value for a business. Strategy is a way to win—and nothing less."

above. In small companies, there may be only 1 choice-cascade, while in large organizations there may be sub-levels of choices.

Strategic Choice Cascade

Multi-level Choice Cascades



Winning Aspiration

Your aspiration states why you exist, what you seek to be, and what winning looks like for your organization. It's the starting point to align the rest of your strategic choices.

Your aspiration must focus on winning, not just competing.

- This forces you to *make hard decisions* that create real advantages. Nike's mission is "to bring inspiration and innovation to every athlete in the world" (where an athlete is anyone with a body) and McDonalds seeks to "be our customers' favorite place and way to eat." P&G aims to deliver the most valuable, value-creating brands that improve consumers' lives in every category it competes in.
- You can *break it down further* into what winning means for specific brands, business lines or internal functions.
- When you merely "*play to play*", you're setting yourself up to fail. In 1990, General Motors launched Saturn in hope of getting a share of the younger car-buyer market and making money in that segment. Unlike their key competitors Toyota, Honda, and Nissan, Saturn didn't aim to win, and eventually closed down after $20bil losses.

KEY QUOTES

"A definition of winning provides a context for the rest of the strategic choices; in all cases, choices should fit within and support the firm's aspirations."

"A lofty mission isn't a strategy. It is merely a starting point."

"Strategy is disciplined thinking that requires tough choices and is all about winning."

"A too-modest aspiration is far more dangerous than a too lofty one. Too many companies eventually die a death of modest aspirations."

- *Playing to win*. In 2000, P&G had to decide what to do with its inhouse global business services (GBS) unit that handled its IT facilities and services. The easiest option would be to keep running GBS internally, while the most common option would be to outsource to a large BPO firm like IBM. P&G asked themselves which option would help them to *win*. They realized they needed cost-effectiveness, service standards *and* flexibility, i.e. partners who would innovate with P&G to create real value. So, they came up with a new approach, to (a) select the best BPO partners for each IT area (e.g. facilities management vs IT infrastructure), and (b) choose partners with interdependency (vs going with the biggest ones). This allowed them to work with a range of specialized partners (thus increase quality, reduce cost, mitigate risk *and* instill competition), while freeing up existing GBS resources for P&G's core capabilities.

When defining your aspirations, focus on consumers and your best competitors.

- *Consumers, not products/services*. A product-focused business may see itself as a maker of smartphones and focus on R&D and engineering. A consumer-focused business may see itself as a connector of people around the world, and focus on relationship-building, user experience etc.

- *Best competitors, not just obvious ones*. Identify your best competitors, how they're doing better than you, what can you learn from them and do differently. Consider what it means to win against the largest global brands, as well as the local and private-label companies.

Where to Play

Choosing the right playing field is really about defining the business you're in, where you'll compete to win, and where you'll *not* compete.

Regardless of the size or nature of your industry, you must address all of these where-to-play choices:

- *Geography*: The countries or regions you'll compete in;
- *Product segment*: The types of products/services you'll offer;

KEY QUOTES

"The desire to win spurs a helpfully competitive mind-set, a desire to do better whenever possible."

"Companies in the grips of marketing myopia are blinded by the products they make and are unable to see the larger purpose or true market dynamics."

"Looking at the best competitor, no matter which company it might be, provides helpful insights into the multiple ways to win."

"If everything is a priority, nothing is."

- *Consumer segment*: The groups of consumers you'll target (with the associated price tiers and needs);

- *Distribution channel*: The channels you'll use to reach your consumers; and

- *Stage of production*: The parts of the vertical production or value chain you'll enter.

Choose where to play and where *not* to play. You can go for a narrow or broad choice depending on what's ideal for your organization, but you *must* choose. If you try to play in every field concurrently, you'll stretch your resources too thin and end up under-performing in all sectors.

To find a brand new playing field or change an existing playing field, you must first believe it's possible. Then, dig deep to examine your choices from all possible angles.

- P&G always starts by *understanding the customer*, using in-depth research (from observations to home visits) to identify who the customers really are, what they want and need. The goal is to uncover issues you can solve, which leads to big ideas that define your where-to-play choices.

- Such *changes to existing playing fields* may be subtle (like how Olay was reinvented with a new target consumer group within the same industry), or massive (like how Thomson Corporation changed its entire business model to web-based services over a period of 20 years).

- Wherever possible, avoid going directly against strong competitors or fighting multiple battles. Try to stagger your choices so you can conquer the market *one challenge at a time*. If you're entering a competitive industry, consider whether to eliminate the weaker players first, target the lead competitor or expand the playing field so you buy time to coexist with existing players while you gain momentum.

- Look for ways to *attack from unexpected angles* with the least resistance. P&G initially struggled tried to find a viable playing field in the fine-fragrances category. After digging deep, they chose to go into men's fragrances (e.g.

KEY QUOTES

"Focus is a crucial winning attribute. Attempting to be all things to all customers tends to result in underserving everyone."

"Sometimes the key to finding a new place to play is to simply believe that one is possible."

Hugo Boss, Lacoste), which was an unexpected space with minimal resistance from existing competitors who typically focused on fashion and the high-end women's market.

Don't try to buy your way out of a bad game, i.e. try to acquire a company to solve your problems. Acquisitions are usually expensive, and the acquired companies tend to have different strategies and capabilities that complicate your already-fragmented strategy. It's better to sort out your own game by enforcing internal discipline in your strategic thinking.

How to Win

Once you've chosen where to play, you can define how to win there.

Broadly, there are 2 key ways to win, but the exact details will vary for each organization.

- *Low-cost strategies* means having a lower cost structure than competitors, so you can set lower prices and/or reinvest the margin in other areas to create competitive advantages. For example, Mars enjoys lower production costs than Hershey's. But, instead of reducing its price, it invests the extra margin to buy the best shelf-spaces in convenience stores. In any industry, there can only be one true low-cost leader. To win with this strategy, you must be the player with the lowest cost.

- *Differentiation* means your offerings have similar cost structures as competitors, but deliver a much higher perceived value to customers. Each brand or offering will have its own consumer value equation and price-point, e.g. some consumers may prefer the quality service of global hotel chains while others prefer the unique experience of boutique hotels. To win with this strategy, you must do everything possible to keep customers happy.

- It's possible to *combine both strategies*, i.e. command a huge price premium yet produce at much lower costs than rivals. However, it's very rare as the 2 strategies require vastly different approaches. A cost leader is obsessed with cost reduction via cost drivers (e.g. sourcing, production) and may sacrifice nonconforming customers for standardization.

KEY QUOTES

"While all companies make efforts to control costs, there is only one low-cost player in any industry—the competitor with the very lowest costs."

A differentiator is obsessed with serving customers better, retaining loyalty and commanding a price premium (via brand, quality, service etc.).

Find your winning formula. There are many ways to win, and your strategy must evolve over time. Building your organization's strategic thinking capabilities allows you to keep finding new ways to win.

- Your where-to-play and how-to-win choices are closely-related and must *reinforce one another*. If, after digging deep, you still can't create credible how-to-win choices, then find a new playing field where you can win.

- In the 1960s, P&G launched *Pampers*, pioneering the disposable diapers category and viably addressing cloth diaper-users' frustrations. By the 1970s, Pampers had 75% market share in the US and was growing globally. However, in 1976, P&G made a strategic mistake when it introduced Luvs—a new, pricier brand of diapers with superior fit, absorbency and comfort. In 1978, Kimberly-Clark launched Huggies with similar features to Luv (plus enhancements). It gained a 30% market share while Luvs and Pampers fell behind individually since their market share was split amongst themselves. In 1984, P&G finally launched Ultra Pampers with premium features, and repositioned Luv to a basic offering. They learned the painful lesson that they should've applied Luv's improvements to Pampers from the onset rather than lose customers for product-based reasons.

- Separately, P&G launched *Citrus Hill* (a juice that was enhanced using superior calcium technology) in direct competition with incumbents Minute Maid and Tropicana. Citrus Hill lost the battle, and, P&G sold the calcium technology to its 2 rivals. Technology alone just wasn't enough to win against strong established players.

- P&G also developed a technology that made trash bags stronger/stretchable using less material, and improved the effectiveness of self-sealing plastic wraps for food storage. This time, instead of competing directly with strong incumbents in an unfamiliar industry, P&G explored other choices. They decided on a joint venture (JV) with *The Clorox Company*, a a leader in the food-storage business. P&G

KEY QUOTES

"There simply is no one perfect strategy that will last for all time. There are multiple ways to win in any almost any industry. That's why building up strategic thinking capability within your organization is so vital."

"Technology and product alone wouldn't lead to victory—not in the face of tough competitive dynamics and high capital costs."

"The challenge was to find a way to win, rather than just compete…Finding the answer meant taking a new and creative approach to what winning could mean and how P&G could win in a different way."

assigned 20 P&G staff (mainly scientists/technologists) to Clorox, gave them technology access and full control of the business, in return for 10% of their Glad business and an option to acquire another 10%. In short, they partnered closely with Clorox in 1 category while competing in other categories. This model gave P&G a new way to win and led to other similar joint ventures in the future.

Capabilities: Play to your Strengths

Your *core capabilities* are the entire set of activities that jointly allow you to realize your where-to-play and how-to-win choices. An *activity system* (coined by Michael Porter) is a 1-page visual representation of these capabilities—it helps you to visualize your core capabilities and supporting activities, so you can decide where to increase and reduce investments.

In 2000, P&G had defined its where-to-play and how-to-win choices, and had to translate the choices into core capabilities.

- At an off-site meeting, business and functional leaders started by identifying their business units' *industry-specific capabilities*.

- Then, everyone was asked to vote for top capabilities that met these criteria: they must be (a) existing competitive advantages that could be expanded, (b) were relevant and vital to most of P&G's businesses, and (c) could make the decisive difference between winning and losing. They eventually narrowed down to 5 core *corporate-level capabilities*: (a) consumer understanding, (b) brand building, (c) innovation, (d) go-to-market ability and (e) global scale.

- From this list, the teams developed specific action plans to invest in each of the 5 capabilities at the corporate, category, and brand levels. These were then mapped into *activity systems* that would guide P&G's strategic choices for the next decade.

To win, your activity system must meet the 3 sequential criteria below. Refine your system over several rounds, changing your where-to-play and how-to-win choices if necessary.

KEY QUOTES

"An organization's core capabilities are those activities that, when performed at the highest level, enable the organization to bring its where-to-play and how-to-win choices to life."

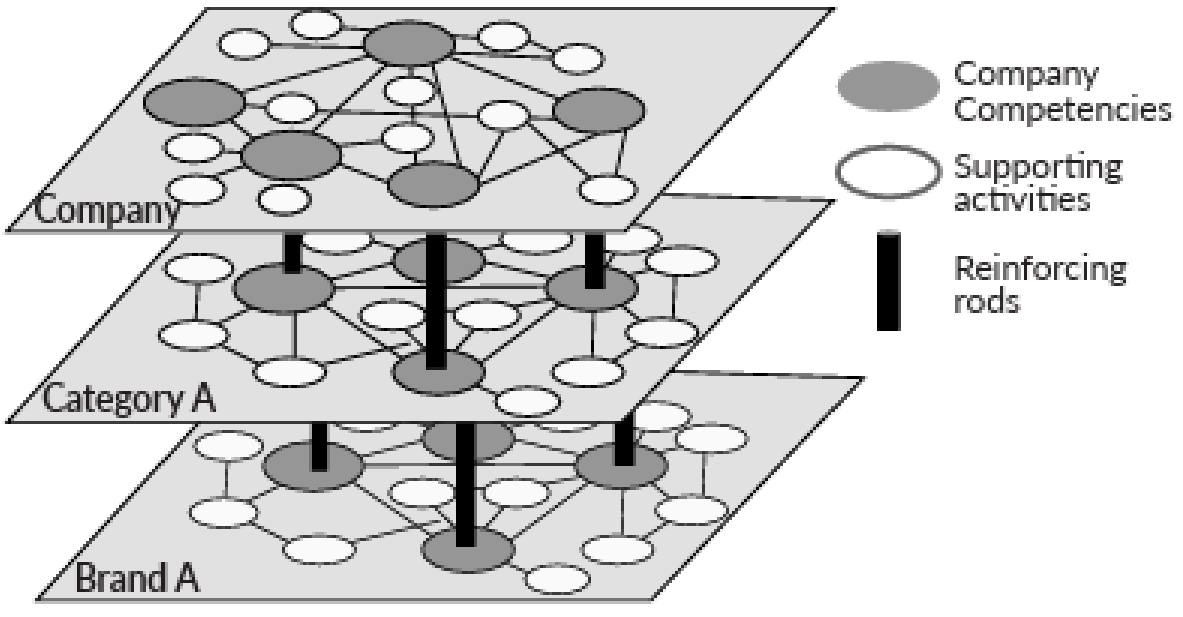
"Companies can be good at a lot of things. But there are a smaller number of activities that together create distinctiveness, underpinning specific where-to-play and how-to-win choices."

- *Feasibility*: The activity system must be feasible to build. If most of the components don't exist yet and you lack resources to create them, rethink where to play and how to win.

- *Distinctiveness*: Your combination of capabilities must be unique enough that no other competitor will likely end up with a similar map.

- *Defensibility*: Your activity system must not be easily replicated by a competitor.

A small business may have 1 activity system for the whole company, while a large corporation like P&G will have different activity systems for each business unit, e.g. different choices and capabilities for baby care vs laundry care. Reinforcing rods are the shared capabilities that cut across multiple divisions or units, and link parts of the organization together. When you strengthen these rods, it creates multiplier effects across the entire organization.



To improve your organizational integration:

- *Start at the "indivisible level"*, where the activity system looks similar 1 level down but looks different 1 level up. For example, at the product level various Head & Shoulders shampoos have similar maps, but at the category level varying hair-care products (e.g. Nice 'n Easy hair colors vs Herbal Essences hair gels) have different maps. Start at the ground level and work upwards.

KEY QUOTES

"The links between the systems are crucial to create brand, category, sector, function, and overall company competitive advantage—to make the system stronger than the sum of its parts."

- *Add value to the level below*. Managers at each level should focus on the reinforcing rods that help the level below to compete more effectively, either through a shared activity and/or skills and knowledge transfer. Unless a level creates more value than its financial and administrative costs, it should be removed.

- *Expand or trim your portfolio*. Look at the reinforcing rods throughout your organization—invest in businesses that benefit from same rods, and divest those that don't.

Most corporate mergers destroy rather than create value. Yet, P&G's acquisition of Gillette in 2005 was a massive success, because it satisfied P&G's 3 criteria for mergers: growth, structural attractiveness and strategic fit (in all 5 levels of the choice cascade). Specifically, Gillette's aspiration was aligned with P&G's, it could benefit significantly from all of P&G's core capabilities, and could also reinforce P&G's strengths.

- Straight after the acquisition, the 2 teams jointly defined Gillette's *strategic choices*: (a) win in male shaving systems, (b) extend the Gillette brand to men's personal-care items, (c) win in women's hair removal and (d) expand into emerging markets, especially India.

- To achieve these, Gillette needed certain *capabilities*. For example, it had to learn to meet the needs of consumers in the developing world. Instead of its usual quantitative research; the Gillette team followed the P&G approach and sent its scientists to live in India for 2 weeks. They were surprised to learn that most Indian men shaved with only a small cup of cold water instead of running hot water. This led to the creation of the Gillette Guard razor—with a single-blade, safety comb, and a price-point of one-tenth of US prices.

Management Systems

Having a sound strategy isn't enough. To win, your organization needs supporting management systems and structures to cultivate its capabilities, as well as measures that tell you how well you're delivering on your strategic choices.

KEY QUOTES

"Most corporate mergers fail to create value. The bigger the deal, the less likely it seems to produce success."

"By engaging directly with the…consumer, by treating that consumer as the boss, the Gillette team was able to understand what he values and what he experiences."

Create regular strategy creation and review sessions where leaders come together to discuss vital issues e.g. whether you're winning in a category, what are the biggest opportunities or threats facing each business and what core capabilities must be built. This creates a systematic focus on strategy and helps leaders at all levels to hone their strategic-thinking abilities and decision-making abilities.

For real dialogues to happen, people must be open-minded, willing to listen and engage in constructive debate. You can use this 3 part approach to nurture assertive inquiry, i.e. advocating your views while asking with an open mind for others' views:

- *Present your view* and invite a response, e.g. "This is how I see the situation and why. But I may be missing something—do you see it differently?"
- *Paraphrase* what you understand of the other person's view, e.g. "It sounds like your view is this...is that an accurate summary?"
- *Explain and clarify gaps* if any, e.g. "It sounds like you think we shouldn't take up this project. I'm not sure I understand why; could you tell me more?"

Communicate your strategy clearly to all levels in the organization, by focusing on the most critical choices and presenting them in a clear, simple way that everyone can understand. P&G distilled its strategy into 3 core themes that cut across all its businesses: (a) make the consumer the boss, (b) increase the gap between value delivery and the cost of delivering that value, and (c) win the 2 crucial moments when the client first encounters the product in the store, and when he/she first uses it.

To facilitate discussions, P&G also summarizes its choice cascades into a 1-page "OGSM" documents which capture the objectives, goals, strategies and measures of a brand/category company at a glance.

Objectives	Strategy	Measures
	Where to play :	
Goals		
	How to Win:	

Invest in systems to support your core capabilities. For example, P&G invested heavily in new consumer research methodologies to deepen their capability for consumer

KEY QUOTES

"(Help your) leaders to become better strategists because better, more choiceful strategies would enable yet better operations."

"Inquiry leads the other person to genuinely reflect and hear your advocacy rather than ignoring it and making their own advocacy in response."

"Strategy is formulated at all levels of the organization, and to be successful, it needs to be clearly communicated at all levels as well."

"The goal was to create... a simple, clear expression of a strategy, a living document that everyone in the business knew and understood."

understanding, and invested in strong retail partnerships to improve their go-to-market capabilities.

Measure desired outcomes. This not only offers *feedback* to address performance gaps, but also motivates people to *focus* on results. To be effective, your measures must specifically explain the expected outcomes, cut across various parameters (e.g. finance and consumers), and be written down. You can also create weighted indexes to measure your performance across multiple factors.

Getting Started: Your Strategy Playbook

In this section, we'll combine the choice cascade with strategy logic flow and reverse engineering to form a single framework or process— your strategy playbook. Start with a rough definition of your winning aspiration, but don't worry about perfecting it at this point. Spend more effort on your where-to-play and how-to-win choices: these form the heart of your strategy and define what you'll do and where/how you will win.

There are various strategy tools (e.g. SWOT or the BCG growth matrix) which you can use to do your analyses. The authors recommend using the strategy logic flow and reverse engineering to generate and select your where-to-play and how-to-win choices. The process takes time, effort and teamwork, but the results are worth it.

Think through your strategy with a logical flow, using 7 questions in 4 key areas to analyze your organization's current realities and generate possible where-to-play and how-to-win choices.

INDUSTRY ANALYSIS

- **Segmentation**: What are the strategic segments in the industry?
- **Structure**: How potentially profitable are these segments for your company? [Consider suppliers' & consumers' bargaining power, degree of rivalry, threat of new entrants & substitutes]

CONSUMER VALUE ANALYSIS

- **Channel**: What do channel customers (e.g. retailers) value?
- **End-consumer**: What do end-consumers value?

RELATIVE POSITION

- **Capabilities**: How are your capabilities compared to competitors?
- **Costs**: How are your cost compared to competitors?

COMPETITIVE ANALYSIS

- **Prediction**: How are competitors likely to react to your choices & actions?

KEY QUOTES

"If aspirations are to be achieved, capabilities developed, and management systems created, progress needs to be measured."

"The strategic choice cascade, the strategic logic flow, and the reverse-engineering process represent a strategic playbook for your organization...(that) can guide your strategic thinking and help create true and lasting competitive advantage."

"A strategy that only works if competitors continue to do exactly what they are already doing is a dangerous strategy indeed."

Once you have a list of possible choices, use the reverse engineering process to improve your odds of arriving at a winning set of choices.

Frame the choice	• Ask "what are the different ways of resolving this problem?" • Generate pairs of opposite options and narrow down to ≥2 mutually exclusive options.
Expand scenarios	• Brainstorm diverse possibilities, including unexpected ones. • Express them not as options, but as narratives or scenarios of happy outcomes.
Specify conditions	• For each case, specify what must be true for the possibility to be a winning choice. • These are the conditions the team must commit to deliver if they choose a certain path.
Identify barriers	• Identify the conditions that're *least* likely to happen—these are your barriers to success. • Address all concerns, including the skeptics'
Design valid tests	• For each key barrier, design a valid test, e.g. surveying consumers or suppliers.
Conduct tests	• Run the tests to validate specific hypotheses. • Start with the conditions you're least confident about, then move on to the next-most-dubious condition and so on.
Choose	• Compare the test results and make an informed decision with real market data.

An Ongoing Process

The pursuit of winning is a never-ending process. Develop your answers for the *5 levels of the choice cascade*, use the *strategy logic flow* to understand your present realities and identify where-to-play and how-to-win possibilities, and *reverse-engineer* these possibilities to identify what would've to be true for each possibility to be your best chance to win.

Other Details in the Book to Look out For

The book is packed with detailed case studies and tips, including:

- Examples involving brands like Gillette, Pampers, Olay, Tide, Impress, Swiffer, Febreze and Bounty; and
- Details of various strategy tools and models you can use for your strategic analysis, and additional appendices about P&G's performance and the microeconomics of strategy.

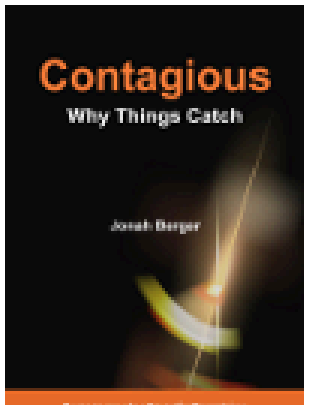
We've distilled the key ideas and tips in this summary. For more details and examples, please visit playingtowin.net.

KEY QUOTES

"In strategy, there are no absolute answers or sure things, and nothing lasts forever...In the end, building a strategy isn't about achieving perfection; it's about shortening your odds."

"Crystallizing the issue by clearly framing the choices for resolving it makes the issue immediately real and meaningful."

"Leaders lead, and a good place to start leading is in strategy development for your business...Play to win."



CONTAGIOUS

Why Things Catch On

JONAH BERGER

The Big "So What"

Why do some products and ideas spread like wildfire while others fail to catch on? In this book, Wharton marketing professor Jonah Berger shares the 6 STEPPS or ingredients for creating viral content that are more likely to spread via word-of-mouth (WOM). These insights are relevant for anyone who wants to build awareness, spread ideas or grow a customer base more effectively.

Introduction

Most people believe that products and ideas become successful due to 3 factors: quality, price, and advertising. Although these factors are relevant, they don't tell the full story, e.g. a free, low-quality YouTube video can still go viral with no advertising. Social influences and word-of-mouth (WOM) drive 20-50% of all purchasing decisions. These include product reviews, recommendations by friends/ colleagues, and so on. WOM is more effective than traditional advertising because:

- It's more *persuasive* since we tend to share both the pros and cons of a product or service candidly, making our recommendations more objective and believable.
- It's also more *targeted* since we only share information and stories with people whom we think would be interested in them.

The question is, how can you create content that's more likely to get passed on via WOM?

KEY QUOTES

"While traditional advertising is still useful, word of mouth from everyday Joes and Janes is at least ten times more effective."

Berger holds a Ph.D. in marketing and spent 10 years studying various types of content—ranging from products to articles, political messages and baby names—to uncover what spread and what didn't. He collected and analyzed data from many sources (e.g. marketing agencies and news websites), and ran experiments to test different content. In this book, he shares how he proved/disproved various factors/hypotheses to arrive at the 6 ingredients (STEPPS) behind social contagion. By applying these 6 principles, you can make any content more contagious, i.e. to spread from person to person via WOM.

- In *The Tipping Point*, Malcolm Gladwell suggests that to create virality, you need the right people to spread the message. However, Berger's research shows that contagious content is so viral in itself that it can spread *regardless of who is talking about it*. It's like how a good joke will still be funny even if it's told by an average person.

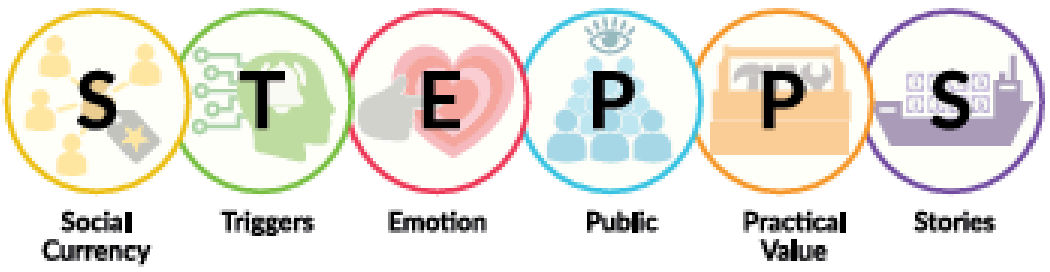
- People also tend to over-estimate the level of online virality. A study by the Keller Fay Group found that only 7% of WOM happens online; most social influence actually happens *offline* over daily activities like a dinner conversation. Reaching masses of people online isn't as important as ensuring the content is viral in the first place.

KEY QUOTES

"Follow these six key STEPPS, or even just a few of them, and you can harness social influence and word of mouth to get any product or idea to catch on."

"Contagious content is…so inherently viral that it spreads regardless of who is doing the talking."

The 6 STEPPS to Creating Contagious Content



Principle #1: Social Currency

Our social image is affected by many factors, including the job/title we hold, the clothes we wear, the house/cars we own and the things we say. Social Currency refers to things that help people to look good and improve their social influence.

"Just as people use money to buy products or services, they use social currency to achieve desired positive impressions among their families, friends, and colleagues."

- People want to appear smart, hip, rich, and cool (instead of seeming stupid, boring, poor or geeky). We share things that make us look good. There are *3 ways to generate Social Currency*: (i) make your product/idea remarkable, (ii) leverage game mechanics, and (iii) make it scarce/ exclusive.

Make your product/idea remarkable. People love to talk about things that are unusual, surprising, extraordinary, or worthy of mention. That's because talking about remarkable things makes *us* appear remarkable too.

- Identify your *inner remarkability* or what makes your product/idea truly stand out. Remarkability could come from breaking an expected pattern, doing something seemingly-impossible, or generating mystery/controversy.

- For example, *Blendtec* went viral with a series of "Will it Blend?" videos on Youtube—the videos showed its blenders reducing tough items (e.g. golf balls, iPhones) to dust. The *Blair Witch Project* (which was filmed on a handheld camera for $35,000) grossed more than $248 million worldwide because it got people debating if the movie was based on a true story.

Leverage game mechanics to make people feel good about their achievements. When people "win" a game, trophy, or award, they want to brag about their accomplishments. In the process, they also share about your brand or message.

- *Create Social Currency* in 2 ways: (i) *use metrics or status symbols* (e.g. point systems, leaderboards, badges, trophies) to make accomplishments visible, and (ii) help people to *publish* their achievements. For example, airlines have successfully gamified air travel with their frequent flier programs. Passengers fly with certain airlines to collect air miles and move up the rewards hierarchy, then brag about their achievements (e.g. when they achieve Diamond status).

- You can also run *contests* based on popular votes. As participants rally others to vote for them, they also create awareness for your brand or campaign. Burberry's sales increased by 50% when it ran a campaign featuring pictures of people wearing their trenchcoats—people whose photos were featured ended up sharing about it and driving others to Burberry's website.

KEY QUOTES

"To get people talking we need to craft messages that help them achieve these desired impressions."

"Game mechanics help generate social currency because doing well makes us look good."

Use scarcity and exclusivity to make people feel like insiders. People assume that if something is hard to obtain, it must be special or desirable. Access to scarce or exclusive items/ news makes people feel like insiders, and they'd want to brag about their special status.

- *Scarcity* is about limiting something's availability. You can do that by (i) limiting the number of units produced/ released, (ii) restricting the time/place to buy, or (iii) creating the impression that it will sell out quickly. For example, McDonald's McRib didn't sell well initially, but became a coveted item after they removed it from the menu and brought it back only for limited periods and at selected locations.

- *Exclusivity* is about restricting access to people who meet certain criteria (e.g. wealth, prestige, knowledge, connections). Rue La La (a website for discounted designer items) became popular when it started to run flash sales for just 1-2 days each, generating perceived scarcity for its discounted products. In addition, you can only access the website through an invitation from an existing user, which creates an additional sense of exclusivity.

A note of caution: Social Currency is built on intrinsic motivation. When you pay someone to refer others, it may actually *reduce* the level of sharing to what's proportionate to the amount of financial incentive.

Principle #2: Triggers

A trigger is something that reminds you of something else. For example, the smell of food reminds you that it's time for lunch, or the word "dog" reminds you of the word "cat".

- People don't always share what's the most interesting, novel or surprising. Instead, people tend to talk about *whatever's at the top of their minds*, especially during casual chats. If your product/idea is linked to a trigger that people encounter frequently, then they're more likely to talk about it. Researchers found that playing French music at a restaurant triggered more purchases of French wine, whereas playing German music triggered more purchases German wine. In 1997, Mars chocolate

KEY QUOTES

"The mere fact that something isn't readily available can make people value it more and tell others to capitalize on the social currency of knowing about it or having it."

"Top of mind leads to tip of tongue."

"People often talk about whatever comes to mind, so the more often people think about a product or idea, the more it will be talked about."

bars saw a jump in sales due to extensive media coverage about NASA's mission to planet Mars.

- There's also a difference between *immediate vs ongoing WOM*. Things that are novel or interesting (e.g. a colleague coming to work in a jewel-studded suit) may trigger immediate WOM, but the novelty soon fizzles out. To keep people talking weeks and months later, you need to design products/messages that are linked to cues in the environment.

- Generally, an interesting/clever slogan is less effective in *changing behavior* than one with a strong trigger. In a study, students were asked to provide feedback on 2 public-health slogans: "Live the healthy way, eat five fruits and veggies a day" and "Each and every dining-hall tray needs five fruits and veggies a day." The students preferred the 1st slogan to the 2nd one. Yet, the latter was more effective in shaping behaviors—students who saw the 2nd slogan and used trays in the cafeterias ended up eating 25% more fruits and vegetables.

An effective trigger should fulfil 3 criteria:

- *Frequency*: Choose a stimulus that people will encounter regularly in their daily lives. For example, Budweiser ran a campaign that showed people greeting each other with "Wassup?" while drinking Budweiser. This was silly but nonetheless effective since "Wassup" was frequently used by young men at that time, making it an effective trigger or reminder to drink Budweiser.

- *Relevance*: There should be a strong and relatively unique link between the product/idea and the stimulus. For example, the color red is a weak trigger as it's associated with many things from Coke to love and danger. Kit Kat's jingle in the 1980s ("Have a break, Have a Kit Kat") was wildly successful. Then in 2007, it successfully revived the brand by repeatedly pairing itself with coffee. Coffee is great trigger for Kit Kat because (i) "Kit Kat and coffee" sounds good, (ii) it builds on the notion of having Kit Kat during a break (or coffee break), and (iii) coffee is a frequent stimulus.

- *Context*: Choose triggers that can be found near the desired behavior, so they can trigger action before they're

KEY QUOTES

"Social currency gets people talking, but triggers keep them talking."

"Accessible thoughts and ideas lead to action."

"The more things a given cue is associated with, the weaker any given association."

"By acting as reminders, triggers not only get people talking, they keep them talking."

forgotten. For example, if you want people to use reusable grocery bags, consider using a shopping list as a trigger (so they'll remember to bring the bags *before they* leave home). Likewise, there's no point using camels as a trigger if you're targeting people in New York City—since they rarely encounter a camel, they won't think about your product/message.

You can even use your competitors as a trigger by using the "poison parasite" approach. Design your marketing campaign to establish a link with your competitor's product or message, e.g. create a spoof of their ad. That way, each time someone sees your competitor's ad, they'll think of you.

Principle #3: Emotion

Emotions can make us laugh, shout, talk, share, and buy things. The question is, what type of messages/ideas will trigger emotions that lead to action?

- Berger found that both positive and negative emotions can spur action. What's more important is the *level of arousal* triggered by the emotions. When we're aroused, our hearts beat faster, our blood pressure increases, and we're ready for action. High-arousal emotions prepare us for action and *increase* the likelihood of us talking about or sharing something. Low-arousal emotions lull us into a state of inaction to *decrease* the likelihood of sharing.

- *High-arousal emotions* include positive emotions (e.g. awe, excitement, amusement) and negative ones (e.g. anger and anxiety).

Emotion	You're more likely to share when...
Awe (+)	You're inspired by a story of a nerdy guy who won a talent show with his amazing voice
Excitement (+)	You've just returned from an amazing holiday with lots of pictures
Amusement (+)	You can't stop laughing at a funny video of a baby
Anger (-)	You're furious about news of a tax increase
Anxiety (-)	You're anxious about news of a new life-threatening virus

- *Low-arousal emotions* can also be positive or negative:

KEY QUOTES

"When we care, we share."

"We need to pick the right emotions to evoke. We need to kindle the fire."

Emotion	You're less likely to share when...
Contentment (+)	You're feel relaxed after a good massage
Sadness (-)	You're saddened by news of someone's death

To get people to share, focus on kindling high-arousal emotions.

- Don't just focus on facts and information in your marketing messages. Figure out how you can make them care. You can find *emotional hooks* in *any* product, service or message. For example, Google's 2008 "Parisian Love" campaign told a love story using a series of Google searches—studying abroad, cafes in Paris, how to impress a French girl, churches in Paris, how to assemble a baby crib, etc. In *Made to Stick*, Chip and Dan Heath suggest using the "Three Whys" to find an idea's emotional core—ask yourself why something is important, and keep drilling down by asking "Why" at least 3x.

- You can also create emotional arousal using *situational factors*, or targeting people who're already fired up. For example, people are more likely to share something (or respond to an ad) when they're in a state of arousal, e.g. just after exercise, at the height of a crime drama, or just after watching an exciting game show.

KEY QUOTES

"Rather than harping on features or facts, we need to focus on feelings; the underlying emotions that motivate people to action."

"Any sort of arousal, whether from emotional or physical sources, and even arousal due to the situation itself...can boost transmission."

Principle #4: Public

When something is public and observable, we're more likely to discuss and imitate it, making it more likely to spread. Conversely, it's hard to mimic or talk about things we don't see.

- We tend to follow others on the assumption that if lots of people are doing something, it must be right or good. Psychologists call this *Social Proof or herd mentality*. Social Proof influences everything we do, from what we buy/eat, to what career we choose and whether we pay our taxes. We'd choose a crowded restaurant over an empty one, and add money to an already-full tip jar instead of an empty one. In fact, 1 in 10 kidney patients refuse a kidney donation even though it would've been a match—they wrongly assume that if others have rejected the kidney before them, it must be a lousy kidney!

"Making something more observable makes it easier to imitate."

"We assume that if other people are doing something, it must be a good idea."

"Behavior is public and thoughts are private."

- Public choices and behaviors are more likely to be imitated than private ones. Items like shirts and cars are more likely to spread as a fashion statement or status symbol because they're *highly visible*. On the other hand, we don't notice the socks or toothpaste used by others, making them less likely to spread via WOM. Even if everyone in a room is feeling uncomfortable about a task, they'll still carry on if others *appear* to be ok with it—we can only imitate public behavior, not private thoughts.

To make your product/idea spread, you need to make the private public. Create Social Proof by making hidden choices and behaviors visible in 2 ways:

- *Self-advertising*: Design products, campaigns or behaviors that are so visible that they advertise themselves, e.g. Apple's prominent logo on its computers, Pringles' unique tubes for its potato chips, or other distinctive shapes, sounds and features. Members of the Movember Foundation managed to raise awareness of prostate cancer (a serious but seldom-discussed problem in men's health) by growing their moustaches every November—in so doing, they became walking advertisements for their cause.

- *Behavioral residue*: Create physical traces that will remain even *after* an action or behavior is completed, e.g. giving people "I voted" stickers when they vote. Lululemon makes high-quality shopping bags that people keep for daily use, thus generating both Social Currency and Social Proof.

On the other hand, if you're trying to discourage undesirable behaviors (e.g. drink-driving, theft or drugs), you should *avoid* focusing on the problem.

- For sample, the "Just Say No" anti-drug campaign ended up *increasing* drug use because (i) it increased the visibility of drug-use, and (ii) it created the impression that many young, cool people were using drugs.

- A more effective approach would be to (i) hide the undesired behavior (i.e. make it private or unseen), and (ii) promote the desired behavior instead. Instead of highlighting the problem of stealing wood from a national park, promote how you can preserve the forest by not removing the wood.

KEY QUOTES

"The more public a product or service is, the more it triggers people to take action."

"If something is built to show, it's built to grow."

"If you want to get people not to do something, don't tell them that lots of their peers are doing it."

Principle #5: Practical Value

People like to help others. We'll naturally pass on content that has practical value, e.g. things that can help others to save time or money, improve their health, etc. While Social Currency is about making ourselves look good, Practical Value is driven by altruism and our desire to help the recipients.

- To increase the likelihood of your content being shared, you need to make it *stand out* by (i) highlighting the incredible value being offered (monetary or otherwise) and (ii) packaging it in a way that can be easily passed on.

Highlighting incredible value:

- People assess value using *reference points* rather than the absolute value of a product/service. A $1 coffee may seem cheap in New York but exorbitant in rural India. A $50 dress will sell better just by having a "Sale" sign with an original price of $100 (making $100 the reference point).

- Generally, saving 50% sounds more exciting than saving 10%. However, *diminishing sensitivity* says that a change will have a smaller impact as it moves farther from the reference point. For example, buying a $$20 item at $10 sounds like a great deal, but buying a $1,000 item at $990 doesn't. That's because $10 is much further from $1,000 than it is to $20.

- To frame your offers optimally, use the *rule of 100*:

  (i) If an item costs less than $100, frame the price reduction in *percentage terms* to make it appear more significant (e.g. 20% off a $50 item sounds better than saving $10).

  (ii) If an item costs more than $100, frame the price reduction in *absolute or dollar terms* to make it sound more attractive (e.g. saving $200 sounds better than 20% off a $1000 item).

- An offer is also more likely to be shared if it's (i) *surprising* or surpasses expectations, and (ii) limited in availability

KEY QUOTES

"Practical advice is shareable advice."

"If Social Currency is about information senders and how sharing makes them look, Practical Value is mostly about the information receiver."

(e.g. restricted to X items per customer or for a limited time).

- You can *also make the value more obvious or visible* to create Social Proof, e.g. having a digital sign at the checkout counter to show how much other customers have saved, or ringing a bell each time someone enjoys a deal.

Packaging your content. Information can also have high practical value. To make your content more shareable:

- *Keep it short*, e.g. having a 1 page email with 3-4 main points about 1 main topic, with links for people to click on if they wish to find out more.

- *Keep it targeted*. Broad content or stories may be relevant to a wider audience, but narrower/targeted content can be more compelling. When something reminds you specifically of someone, you're more likely to pass it along.

KEY QUOTES

"The fact that a deal won't be around forever makes people feel that it must be a really good one."

"While broadly relevant content could be shared more, content that is obviously relevant to a narrow audience may actually be more viral."

Principle #6: Stories

Stories are powerful information vessels. They capture our attention, spark our imagination, tug at our heartstrings, and convey underlying messages in a way that can change our attitudes and behaviors.

"People don't just share information, they tell stories."

- Stories provide a fast and easy way for people to pass on *lots of information* in a vivid, engaging way. Consider how fables, fairy tales and famous works (e.g. Shakespeare) have been used over the generations to impart morals and complex lessons/themes.

"Stories carry things. A lesson or moral. Information or a take-home message."

- Stories can also be *more persuasive* than factual articles or advertisements as people become emotionally engaged and are less likely to challenge the facts.

To spread an idea, you need to wrap it in a broader narrative, i.e. to embed your product/idea in a captivating story that people want to pass on.

"While people focus on the story itself, information comes along for the ride.

- For example, if you receive exceptional customer service, you may feel compelled to share the experience with

your friends. In the process, you'll also share about the company, the product/service, how they solved your problems and exceeded your expectations.

- Stories also tend to *spread via WOM* because they create Social Currency by making people look cool or informed, trigger high-arousal Emotions, and provide Practical Value in the form of useful information or advice. For instance, people were intrigued by the story of how Jared Fogle supposedly lost 245 pounds eating Subway sandwiches. They wanted to know how he could lose so much weight eating fast food. In the process, they learned about Subway's healthy and tasty food options.

However, it's not enough to simply weave your brand into a story. You must ensure that the virality is valuable, i.e. your brand or core product benefit must be so essential to the story that people can't retell the story without mentioning it. This is crucial since people tend to drop the irrelevant details as they pass on the stories. The only way to connect the word-of-mouth back to you is to ensure the information you want people to notice/remember is integral to the story itself.

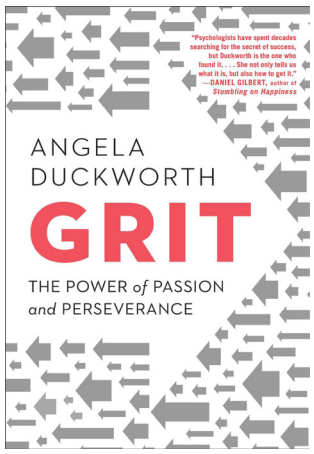
- In 2004, Ron Bensimhon crashed the Olympics in a publicity stunt, diving into an Olympics pool in Polka dot tights and tutus. Although the stunt was widely shared and discussed, no one spoke of the online casino GoldenPalace.com which was written in bold across Ron's chest. There was simply no relevant link between the stunt and the casino.

- On the other hand, Dove's 2006 "Evolution" video revealed the amount of makeup and photo-editing used to create the stunning-looking women that we see in advertisements. The video was viewed 1.7 mil times within a month of its upload on Youtube, and 12 mil times within the first year. It brought millions of dollars worth of exposure for Dove, stimulated discussion on the definition of beauty, reminded people that what we see in ads are unreal, and tied in neatly with Dove's campaign for "real beauty" to celebrate diverse and natural beauty in women.

KEY QUOTES

"That is the magic of stories. Information travels under the guise of what seems like idle chatter."

"We need to make our message so integral to the narrative that people can't tell the story without it."



GRIT

The Power of Passion and Perseverance

ANGELA DUCKWORTH

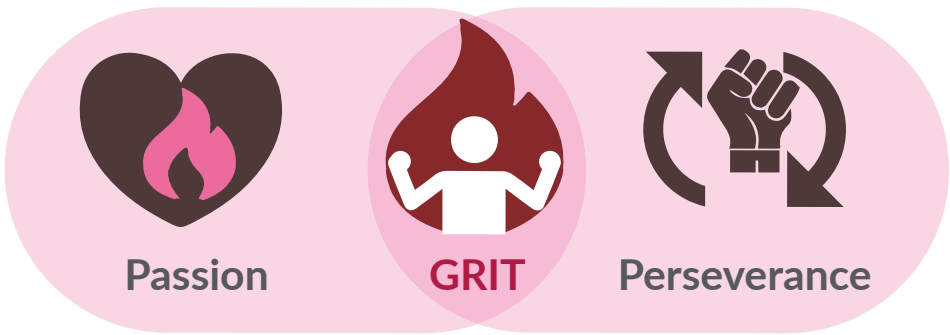
The Big "So What"

Grit has been found to be a stronger predictor of high-achievement than intelligence, talent and other personality traits. In this book, Duckworth explains why this is so and how we can cultivate grit in both ourselves and others to accomplish more in life.

Introduction

Grit is the combination of passion (a deep, enduring knowledge of what you want) and perseverance (hard work and resilience). It has been found to reliably predict whether military recruits graduate from rigorous elite training programs, whether salespeople stay in their jobs, whether high-school students graduate on schedule and whether adults earn their graduate degrees.

Grit = Passion + Perseverance



Over the years, Duckworth has studied grit through experiments, empirical research and interviews with "grit paragons" (people who exemplify grit). In this book, she explains why grit matters, how it relates to other success factors and how we can develop grit.

Why Grit is Important

- Various research studies have proven that **talent and intelligence alone don't predict success**. In fact, they can be dangerous when over-emphasized.

KEY QUOTES

"What we eventually accomplish may depend more on our passion and perseverance than on our innate talent."

"It was this combination of passion and perseverance that made high achievers special. In a word, they had grit."

"Apparently, aptitude did not guarantee achievement."

- *Talent can hinder performance* when people feel they needn't work as hard or try to hide their weaknesses instead of addressing them. People who believe they lack talent may also give up without discovering what they're truly capable of achieving.

- *Aptitude tests are poor measures of true potential*. Duckworth's student was assessed (based on aptitude tests) to be inadequate for advanced math classes, yet he excelled and went on to become a rocket scientist. West Point's "Whole Candidate Score" was designed to shortlist cadets with the propensity to master the required skills, yet only 20% of the shortlisted recruits graduated. Grit turned out to be a much stronger predictor of whether cadets would graduate.

In the end, talent is only important if you put in effort. In fact, **effort is doubly important** to move from talent to achievement:

Talent x *Effort* = **SKILL** → Skill x *Effort* = **ACHIEVEMENT**

- You must put in effort to hone your natural talents into tangible skills through practice and improvement. You must also put in effort to apply those skills to solve real-world problems to attain achievement. Grit is vital for achievement as it helps to *sustain effort*. [Note: this theory is about the inner psychology of achievement and doesn't address external factors like luck or opportunities.]

- For example, celebrity potter *Warren MacKenzie* dabbled with many artistic interests from painting to textile design before focusing on pottery. His first 10,000 pots were the most difficult. However, once he developed the required skills, he was able to produce good pots more easily, and could focus his efforts on creating masterpieces for more people.

- In his study of competitive swimmers, sociologist Dan Chambliss found that great genes or inborn physical features only play a small role in excellence. If you did a time-lapse video of a swimmer's life, you'd find that the real results come from a series of *mundane activities* like daily training and conditioning.

Most of us value hard work. Yet, we tend to have a **talent-bias**, i.e. we're positively biased toward natural talent.

KEY QUOTES

"What we accomplish in the marathon of life depends tremendously on our grit—our passion and perseverance for long-term goals. An obsession with talent distracts us from that simple truth."

"Skill is only developed by hours and hours and hours of beating on your craft."

"With effort, talent becomes skill and, at the very same time, effort makes skill productive."

"In doing something over and over again, something that was never natural becomes almost second nature…it doesn't come overnight."
-John Irving

"Greatness is many, many individual feats, and each of them is doable."
- Dan Chambliss

- *Naturals vs strivers*. People tend to believe "naturals" with musical talent are more likely to succeed than "strivers" who work hard to make their mark. Investors are also more likely to back a "natural entrepreneur" than a "striver entrepreneur".

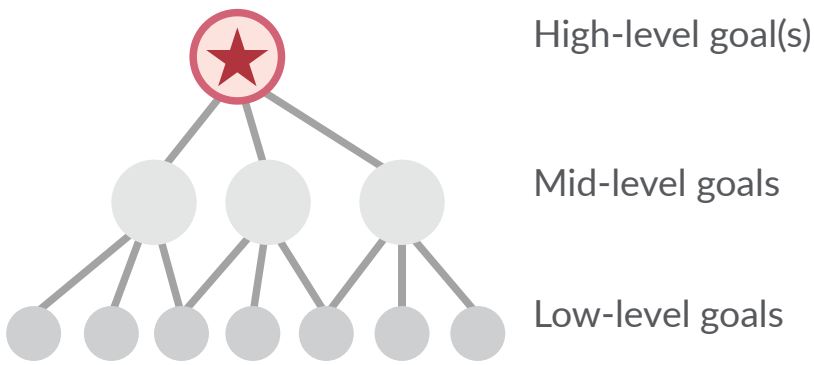
- When we see people performing effortlessly, we instinctively attribute it to their *special talents*. After all, (i) the mystery of natural-born talent is much more exciting than the mundanity of hard work, and (ii) we won't feel as bad about our own lack of achievements if we can blame it on our lack of magical talent.

Understanding Grit

Grit is *not* about the intensity of your passion or enthusiasm. It's about moving in a direction with **consistency and endurance**. It's like having a clear inner compass that guides all your decisions and actions. Gritty people ponder their purpose daily, feel excited about every small step in the right direction, and keep refining their path until they're where they want to be.

- In the book, Duckworth shares the **Grit Scale**—it comes with 10 self-assessment questions that measure how easily you get distracted by new projects/goals/interests, whether you work hard, finish what you begin and overcome challenges/setbacks. Your grit score is a snapshot of how you see yourself now; it will change over time.

Aligning your goals. All of us have a hierarchy of goals. Low-level goals are concrete, specific, and the means to an end, like items on our weekly to-do list. As you move up the hierarchy, your goals become more abstract and important.



- Your top-level goal is your *end-goal or life-purpose*. Hall of Fame pitcher Tom Seaver seeks to be "the best I possibly can day after day, year after year." Duckworth seeks to "use psychological science to help kids thrive".

KEY QUOTES

"Mythologizing natural talent lets us all off the hook. It lets us relax into the status quo."

"Enthusiasm is common. Endurance is rare."

- Gritty people (i) stick to their high-level goals consistently and (ii) align their goals at all levels. In short, grit is not about sticking to every goal to the bitter end. It is about *being clear and loyal to your top-level goal* and adjusting your low-level goals to support that end goal. In fact, you should change your low-level goals regularly to make them more viable, effective and/or congruent with your high-level goals.

- You can use these *4 steps to prioritize and align your goals*:

(i) List down 25 goals.

(ii) Reflect on them and choose just 5 top-priority goals. Consider which of these inter-related goals are means-goals vs end-goals, and which ones are the most important to you.

(iii) Intentionally avoid the other 20 goals that you didn't select. These will be your biggest distractions.

(iv) Define your single inner compass. Ask yourself: to what extent do your key goals serve a common purpose? Use your top-level goal as a compass to guide/align the lower-level goals.

KEY QUOTES

"The more unified, aligned, and coordinated our goal hierarchies, the better."

"Time and energy are limited. Any successful person has to decide what to do in part by deciding what not to do."

Grit Can Be Developed

Nature vs nurture. Every aspect of our human traits comes from both genes and life experiences. Grit is no different.

- Even traits like height (which may seem to be 100% genetic) can be changed in 1 generation due to nutrition, modern medicine, clean air and water. Talents, personality traits and grit are also an outcome of *both nature and nurture*.

- All human traits are *polygenic*, i.e. they're influenced by multiple genes. Hence, there's no such thing as a "grit gene".

We change with age. The grittiest adults were found to be around 70 or older, while the least gritty were in their 20s.

- There are *2 plausible explanations*: the older people lived in a different cultural era with different values and/or they developed grit as they matured. There's inadequate scientific data to draw a firm conclusion at this point.

"Necessity is the mother of adaptation."

- Duckworth believes that both factors play a part, with *life experiences* playing the bigger role. Over time, we learn things that we didn't previously know, e.g. realizing we have the ability to overcome setbacks. At other times, we're simply forced by circumstances to learn to act differently, e.g. when we get a new job, become a parent, or undergo a life-changing event.

Becoming grittier. Research suggests 4 "psychological assets" behind grit. Each of these components can be developed by yourself (from inside-out) or with external help (from outside-in).

- *Interest*: loving what you do;
- *Practice*: focusing on improvement no matter what;
- *Purpose*: believing strongly that your work matters to yourself and to others. This usually happens only after years of cultivating your interest and honing your abilities from practice; and
- *Hope*: believing that you can work things out and overcome your challenges. Hope works hand-in-hand with all 3 components above to determine how you respond to failures—if you get up and keep going, or stay down and be defeated.

In the next 2 sections, we'll break down how you can develop grit from inside-out and outside-in.

Developing Grit From Inside Out

Many successful people have advised us to **follow our passion** in choosing our career. Indeed, people who are interested in their jobs are much more satisfied with their work, perform better, stay longer in their jobs and are happier with their lives in general.

However, passion is *not* inborn; **passion is cultivated** over time.

- *Grit paragons* didn't start by finding the perfect job and falling crazily in love with it. Nor did they discover their passion in a magical, fireworks-filled moment. Instead, they spent years exploring different interests before focusing on one area. As they practiced and honed their skills, they also developed a deeper understanding and appreciation of their craft until it became a burning passion and a calling.

KEY QUOTES

"Passion begins with intrinsically enjoying what you do."

"What ripens passion is the conviction that your work matters."

"At various points, in big ways and small, we get knocked down. If we stay down, grit loses. If we get up, grit prevails."

"The directive to follow your passion is not bad advice. But what may be even more useful is to understand how passions are fostered in the first place."

"Passion for your work is a little bit of discovery, followed by a lot of development, and then a lifetime of deepening."

- To cultivate deep interest , there are several core ingredients:

(i) *Age*. Most people only start to cultivate specific vocational interests around middle school.

(ii) *Real-life triggers*. You can't predict exactly what will interest you. Any random event may spark your interest, though you'd probably be too absorbed in the moment to realize it.

(iii) *A period of interest development*. For an interest to take root, it must catch your attention repeatedly.

(iv) *Supportive people*. Positive feedback and stimulation (from parents, coaches, peers etc.) help your interest to thrive.

Discovering your Interests

In the initial stages, most people learn and practice something for fun, not to develop a life-long career.

- At this phase, interest is best nurtured through *fun, exploration and autonomy*. If you push a beginner too hard, you may end up killing the fledging interest.

- *For example*, New York Times puzzle editor Will Shortz was introduced to puzzles from young by his mum, a writer and puzzle lover. When he started to create his own puzzles, his mum taught him how to submit his puzzles for sale, and he sold his first puzzle at the age of 14. Amazon's founder Jeff Bezos loved to tinker with solutions since young. Instead of scolding or discouraging him, his mum listened to his ideas and even helped to buy parts so he could assemble his prototypes.

Although gritty people typically discover their interest through trial and error, they **don't make many career changes** once they've identified their passions/interests.

- It's ok to have multiple hobbies and to switch them regularly. However, if you keep *switching occupations*, you'll never progress beyond a passionate newbie to master anything of real value.

KEY QUOTES

"Rush a beginner and you'll bludgeon their budding interest. It's very, very hard to get that back once you do."

"The reality is that our early interests are fragile, vaguely defined, and in need of energetic, years-long cultivation and refinement."

"Doing one thing better and better might be more satisfying than staying an amateur at many different things."

"For the beginner, novelty is anything that hasn't been encountered before. For the expert, novelty is nuance."

- Grit paragons don't get bored with their craft because they keep discovering fascinating *nuances and distinctions*. An art expert can appreciate the fine details between the different art pieces while a novice can't, and such deep mastery can be extremely fulfilling.

If you don't have a passion yet, **start by discovering your interests**:

- *Reflect* on questions like: What do I tend to think about the most? What do I really care about? What makes me feel alive? What do I find unbearable?

- Once you have a rough idea, *start experimenting* with different things in that general direction. Give yourself some time to do trial and error in each area, bearing in mind you'll need repeated exposures to develop an interest. Keep exploring, discovering and seeking out mentors until certain options stand out.

Deepening Through Practice

The term "**deliberate practice**" was coined by cognitive psychologist Anders Ericsson. He found that experts became outstanding not just from lots of practice, but *how* they practiced. Specifically:

- They set a *stretch goal*, zooming in on a specific weakness or area for improvement.

- They *practice with full attention* (often by themselves) with 100% focus on reaching the stretch goal.

- They seek *immediate feedback*, focusing on what they do wrong and taking steps to fix them.

- They *repeat the process* over and over until they've reach their stretch target and the actions have become second-nature. Then, they set a new stretch goal and start over again.

Deliberate practice and grit. In a joint study of Spelling Bee contestants, Duckworth and Ericsson found that both grit and deliberate practice predicted spellers' performance. Deliberate practice was also much more effective than quizzes and reading for fun, in spellers' ability to advance to the next level.

KEY QUOTES

"Experts do it all over again, and again, and again. Until they have finally mastered what they set out to do. Until what was a struggle before is now fluent and flawless. Until conscious incompetence becomes unconscious competence."

Deliberate practice and flow. Mihaly Csikszentmihalyi found that people in a state of flow immerse themselves fully in their tasks to deliver high performance effortlessly and pleasurably. Duckworth believes that deliberate practice hones your skill levels so you can perform even better when you're in flow:

- Deliberate practice is a set of behaviors (what experts *do*), while flow is an experience (how experts *feel*). Deliberate practice is about pushing yourself to improve *beyond* your existing skill levels (which makes it effortful and often unpleasant), while flow is about thriving at your *existing* skill level (which makes it enjoyable and effortless).

- Most of us see experts performing effortlessly in flow, but we don't see the years of deliberate practice that make their achievements possible in the first place.

Most people don't do deliberate practice *at all*. By **understanding and applying** the science of deliberate practice, you can increase your rate of learning significantly:

- *Establish a routine* for deliberate practice, doing it at the same time and place daily until it becomes a habit that you repeat without conscious thought.

- Seek to enjoy the challenge. *Don't judge yourself* during practice, as it only brings feelings of anxiety or self-blame.

Developing a Sense of Purpose

Purpose is "the intention to contribute to the well-being of others." Both gritty and non-gritty people seek short-term pleasures, but gritty people are drastically more likely to also **seek to contribute to others**. They usually spend years developing their skills and interest, *before* they discover their purpose later in life.

Similar to interests/passion, **passion must be cultivated**.

- Yale management professor Amy Wrzesniewski said that people can see their work as a job (a necessity to survive), a career (a stepping stone to better jobs), or a calling (a vital part of your life). Her research suggests that any type of work—regardless of its job description—could be a *job, career or calling*. It all depends on how you choose to see what you do.

KEY QUOTES

"Deliberate practice is for preparation, and flow is for performance."

"The idea of years of challenge-exceeding-skill practice leading to moments of challenge-meeting-skill flow explains why elite performance can look so effortless."

"If you keep practicing in the same time and place, what once took conscious thought to initiate becomes automatic."

"At its core, the idea of purpose is the idea that what we do matters to people other than ourselves."

"How you see your work is more important than your job title."

"The road to a purposeful, interesting passion was unpredictable."

- A sense of purpose emerges only with *2 key revelations*: (i) you must discover a problem that needs solving (which may come as a revelation during a life event) and (ii) you must believe *you* can personally make a difference.

Here are **3 ways to start cultivating a sense of purpose**:

- Connect your work with a *bigger picture or vision*. Constantly look at how you can make a positive impact with what you do.
- Find ways to *tweak your work* in small, meaningful ways to better express your personal values.
- *Find a role model*: study the life of people who inspire you, or imagine what'd matter most to you 15 years from now.

Nurturing Hope

Hope is "the expectation that our own efforts can improve our future". It **helps us to persevere**; it gives us the strength to get up each time we fall and to keep going.

- *Optimism*. Everyone encounters setbacks. However, optimists are more likely to learn and find solutions because they attribute those setbacks to *temporary* and *specific causes* (e.g. "I made a mistake *this* time"). Pessimists are more likely to give up as they attribute the setbacks to *permanent* and *pervasive* causes (e.g. "I'm a loser") which seem impossible to overcome.
- Our *interpretation of events* (and not the events themselves) determines our feelings and behaviors. By helping patients to think more objectively and healthily, cognitive behavioral therapists can address depression and related issues.
- According to psychologist Carol Dweck, people with *growth mindsets* believe that people can change (be it their skills, talents, or personality), while those with fixed mindsets think they can't. Duckworth's research shows that growth mindset and grit go hand in hand.

We *can* **train ourselves** to become more optimistic and gritty, by conditioning the prefrontal cortex of our brains to rationalize or moderate our fears.

KEY QUOTES

"Whatever your age, it's never too early or late to begin cultivating a sense of purpose."

"It isn't suffering that leads to hopelessness. It's suffering you think you can't control."

"When you keep searching for ways to change your situation for the better, you stand a chance of finding them. When you stop searching, assuming they can't be found, you guarantee they won't."

"The reality is that most people have an inner fixed-mindset pessimist in them right alongside their inner growth-mindset optimist."

- However, to do that, you must *personally undergo challenges* that you can control, to wire your neural circuits. Children and adolescents who experience adversity that they can control/ influence are likely to become more resilient later in life. The more intense the experiences, the stronger the impact.

- Unfortunately, this also means that you *can't talk someone into becoming grittier*.

You can cultivate hope in several ways:

- *Equip yourself with new facts* and develop a growth mindset. Know that your brain is extremely flexible and gets stronger with use, just like your body's muscles. With practice, you can change anything from your intelligence to your skillsets. Each time you catch yourself responding with helplessness or frustration, step back and say "OK, I just slipped into a fixed mindset. Let's start over. What can we learn from this?"

- *Practice optimistic self-talk* and use growth-mindset language, e.g. "This is a tough problem that I can't solve *yet*" or "Great job! What did you learn to help you do even better?". Avoid fixed-mindset language, e.g. "This problem is too hard for me" or "Great job! You're a genius!".

- *Ask for help*. Having help and support gives you hope of improvement. Find role models who inspire you.

Developing Grit From Outside In

Parenting For Grit

Duckworth refers to parenting broadly as the act of nurturing the next generation. Every grit paragon she interviewed had at least 1 person who, at the right time and in the right way, motivated him/her to push through to the next level.

If you want your children to become grittier, you must first **role model** passion and perseverance in the pursuit of your own goals.

You can also use **wise parenting**—being concurrently supportive and demanding—to nurture grit.

KEY QUOTES

"Like a muscle that gets stronger with use, the brain changes itself when you struggle to master a new challenge."

"All of us are 'parents' to young people other than our own children in the sense that, collectively, we are responsible for "bringing forth" the next generation."

- Unlike controlling parents, wise parents understand their children's psychological needs, and set rules/boundaries out of *selflessness* rather than a need for control. They don't always punish their kids for doing something wrong, nor do they let them get away with things. They respect their children's privacy and freedom, yet hold them accountable for their decisions.

- Wise parents set high expectations for their children backed by support. They enforce strict family rules which they themselves abide by. Kids with wise parents are more likely to *emulate their parents' behaviors* when they grow older.

- *Teachers* who're both supportive and demanding also tend to more positively impact their students. When teachers provide specific feedback and express their confidence in the students' ability to achieve high standards, the students are twice as likely to seek improvement.

Providing the Training Ground for Grit

Kids who participate in extra-curricular activities outside of the classroom tend to fare better from grades to self-esteem. **Follow-through** in such activities was found to be even more important—it was the best predictor of whether young people attained high achievement. Those who excelled later in life had (i) participated in ≥2 different high school extracurricular activities for several years each and (ii) made major advancements in both activities e.g. winning competitions or holding leadership roles.

Duckworth found **grit and follow-through** to be directly correlated. When someone commits to an activity and makes progress in it over several years, it's a signal of their existing grit and at the same time shapes their character. In scientific studies, animals and people who've done hard things in 1 area were found to be more tenacious in other hard tasks as well.

To **nurture grit in young children**:

- Sign them up for *extra-curricular activities* once they're old enough, so they spend at least some time each week doing hard things that interest them.

- Consider implementing the "*Hard Thing Rule*" in your family:

KEY QUOTES

"(Wise parents) appreciate that children need love, limits, and latitude to reach their full potential. Their authority is based on knowledge and wisdom, rather than power."

"Following through on our commitments while we grow up both requires grit and, at the same time, builds it."

(i) Everyone (mum and dad included) must do a hard thing;

(ii) Everyone gets to choose his/her hard thing; and

(iii) You can only quit when you reach a natural stop point (e.g. at the end of a season or term) and not at your whim or fancy.

Developing a Culture of Grit

Culture refers to a group's **shared norms and values**. Our cultures shape our self-identity, worldview and how we think and act.

You can fast-track your grit development by **joining a gritty culture**.

- When you're surrounded by gritty people, you're likely to conform by becoming grittier. The cultural spillover effects can also create a "*social multiplier effect*" to multiply the overall grittiness of the group.
- Once you're shaped by a culture, the traits can become part of your *self-identity* and influence all your life decisions. For example, you may not push yourself to finish a triathlon due to a logical cost-benefit analysis, but you may do so out of the conviction that "I'm not a quitter".

To **build a gritty culture**, you'll need to communicate grit relentlessly in terms of what you say, how you say it, how often you say it, and how you demonstrate it. Communicate it to the point where everyone in the organization has internalized it.

Conclusion and Details in the Book to Look out For

Grit is a vital part of the psychology of success and how we manage ourselves. However, it's not the only virtue that's important. Our character is multi-dimensional, and there're other virtues (like social intelligence and curiosity) which affect how we interact with others, learn and engage with ideas.

In the book, Duckworth includes many other details, including:

- Empirical research, highlights of interviews with grit paragons, and examples of how people developed passion, purpose and perseverance in various fields

KEY QUOTES

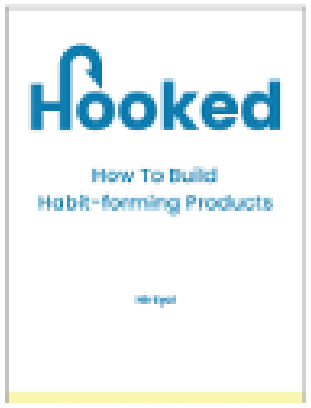
"Whether we realize it or not, the culture in which we live, and with which we identify, powerfully shapes just about every aspect of our being."

"If you want to be grittier, find a gritty culture and join it."

"Either small environmental differences, or genetic ones, can trigger a virtuous cycle. Either way, the effects are multiplied socially, through culture, because each of us enriches the environment of all of us."

"The plurality of character operates against any one virtue being uniquely important."

"Grit isn't everything. There are many other things a person needs in order to grow and flourish. Character is plural."



HOOKED

How to Build Habit-Forming Products

NIR EYAL

The Big "So What"

Why are certain products or services so addictive while others fail? In this book, Eyal explains the role of habits in successful products/services, and how you can use the 4-step Hook Model to shape customer behaviors and habits.

Introduction

To have a massively successful business like Google or Facebook, it's not enough to have the marketing muscle to reach lots of people. You must learn to leverage human habits and emotions and get people to use your product so regularly that it becomes a habit.

Habit-forming companies offer first-to-mind solutions, i.e. they become so strongly associated with a problem/need that people automatically reach for these solutions when the triggers appear. For example, you'll automatically think of Google when you need to search for information, or start scrolling through your Facebook or Instagram feeds when you're bored or lonely. The question is, how do you develop such an association?

The key is to create a series of hooks and experiences that lock people into using your products habitually. After years of research, consulting and real-life experience, Eyal developed the 4-part Hook Model which can be used to embed habit-forming cycles into a product/service. In this summary, we present the key ideas in 3 parts:

- Habits and habit-forming products

KEY QUOTES

"In order to win the loyalty of their users and create a product that's regularly used, companies must learn not only what compels users to click, but also what makes them tick."

"Hooks connect the user's problem with a company's solution frequently enough to form a habit."

- The 4 Steps of the Hook Model; and
- Applying the Hook Model

We'll use the term "products" to refer generically to all types of products, services, technologies and solutions.

Habits and Habit-Forming Products

Whenever we do something, it creates a neural pathway in the brain. The more we repeat the action/routine, the more it reinforces the pathway, until the action is triggered automatically by situational cues. For instance, we automatically go to the bathroom and brush our teeth once we wake up.

Benefits of habit-forming products/services

User habits can significantly increase a business' return on investment due to a combination of 4 key benefits.

Higher Customer Lifetime Value (CLTV). CLTV is the amount of money a customer spends with you before they stop using your products or die. When a customer uses your product frequently and habitually, CLTV increases.

Greater price flexibility. The more people use your product, the more they're willing to pay and the less price-sensitive they become. The success of free-to-play video games hinges on their ability to get users hooked to the game so they'll end up buying extra lives, tools or powers to move up the game levels. Likewise, many free apps/tools like Evernote rely on users' willingness to pay for upgraded features like collaboration tools or offline access.

Accelerated growth. The more people use and value a product, the more likely they'll share it with their friends. Viral Cycle Time (VCT) is the amount of time a user takes to invite another user. When people use your products several times daily, they initiate more loops (e.g. tagging

KEY QUOTES

"The aim is to influence customers to use your product on their own, again and again, without relying on overt calls-to-action such as ads or promotions."

"Hooked users become brand evangelists — megaphones for your company, bringing in new users at little or no cost."

Facebook friends several times daily) which generate more responses from other users to improve the VCT.

Competitive advantage. Once customers form habits around your products, it creates a real competitive advantage.

- Habits are so hard to change that a new solution must be ≥9x better to break the *inertia to change*. The QWERTY keyboard was actually invented in the 1870s for typewriters. Commonly-used characters were spaced out to prevent the typewriter keys from jamming when pressed together. Today, we're still using QWERTY although typewriters are long obsolete. Better keyboards have been designed for modern computers, but the benefits simply weren't enough to motivate change.

- Even when you stop a habit and start a new one, it's easy to *revert back into old habits* since the neural pathways still exist and are easily reactivated. That's why two-thirds of alcoholics return to drinking within 1 year of finishing their rehabilitation programs. The only way to lock in a new habit is to keep doing it repeatedly for a long period of time.

- We also resist change if we've *stored valuable data* in the products, e.g. we don't want to lose our photos/memories on Instagram nor our emails in Gmail. These technologies also use customer data and algorithms to create even more hooks.

A solution can be a painkiller and/or a vitamin.

- Generally, people are ready to pay for *painkillers* which offer immediate relief from an existing pain (e.g. how Tylenol eases aches and pains). On the other hand, *vitamins* don't solve an obvious pain-point—they appeal more to emotions (e.g. the desire to be attractive or healthy) and require habit formation.

- Habit-forming products are *both painkillers and vitamins*. They start out as nice-to-have options. But once you become reliant on them, they become painkillers since you'll feel an "itch" or discomfort if you don't use them.

KEY QUOTES

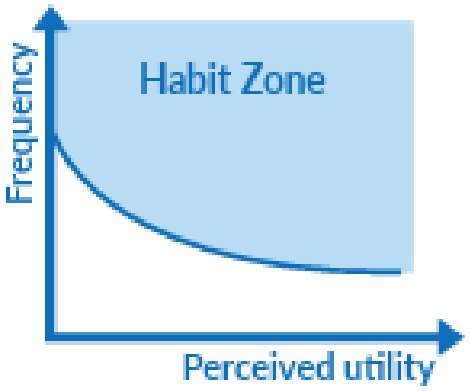
"Old habits die hard and new products or services need to offer dramatic improvements to shake users out of old routines."

"A habit is when not doing an action causes a bit of pain."

"Once we come to depend on a tool, nothing else will do."

A product's habit-formation potential hinges on 2 factors:

- *Frequency of use*: how often the behavior occurs; and
- *Perceived utility*: how useful or rewarding it is compared to other alternatives.



A behavior falls into the "Habit Zone" only when it happens frequently enough and has a high-enough perceived utility. By embedding the 4-step process of the Hook Model into your products, you can move your product into this zone.

ACTION STEPS

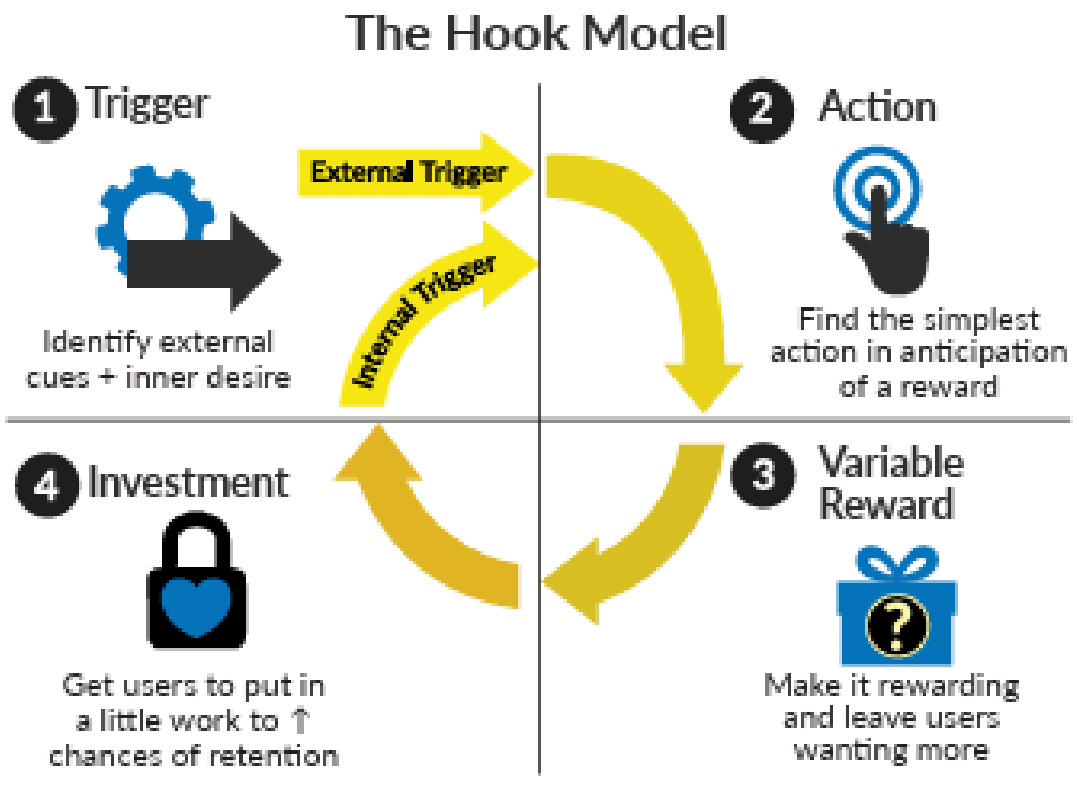
Identify the habits required for your business model. Ask yourself:

- What problem does your product solve for your users?
- How else do users currently solve that problem? Why do they need your product?
- How frequently are users likely to use your product?
- What user behavior should you make into a habit?

KEY QUOTES

The 4 Steps of the Hook Model

The Hook Model involves 4 steps that run in a loop or cycle: Trigger → Action → Variable reward → Investment.



Step 1: Trigger

Habits happen when a trigger automatically brings about a behavior. Such habits are formed in layers over time; they aren't developed overnight.

There are 2 types of triggers:

- *External triggers* provide an obvious call-to-action, i.e. they tell people what to do. These can come in the form of pictures, text, and/or explicit instructions e.g. "Click here" or "Call this number". A well-designed trigger has so much information embedded that it doesn't require long instructions on what to do. There're 4 key types of external triggers:

  (i) Paid triggers (e.g. search engine marketing, advertisement) which can be costly in the long-run.

  (ii) Earned triggers (e.g. media coverage, viral videos, features in app stores) which can bring temporary spikes in numbers.

  (iii) Relationship triggers (e.g. word-of-mouth, electronic invitations, social media "likes").

  (iv) Owned triggers come from having a space in the user's environment (e.g. an app icon on their phone, news-letters in their inbox).

  Generally, (i)-(iii) are good for acquiring new users, while (iv) helps to trigger repeated behavior until a habit is formed.

- *Internal triggers*. An internal trigger is formed when a product becomes tied with a thought, routine, or emotion. When a product relieves a pain-point, you associate certain feelings with it. As the experience is repeated, the association is strengthened, until you automatically reach for those products for quick relief whenever you experience the internal triggers. That's why smokers feel the urge for a cigarette when they're stressed. People turn to Google when they want certainty (to find/verify certain information).

KEY QUOTES

"Habits are not created, they are built upon."

"In the case of internal triggers, the information about what to do next is encoded as a learned association in the user's memory."

External → Internal triggers. Habit-forming technologies start with external triggers to prompt repeated actions, until these become closely linked to internal triggers.

- Imagine you're new to Instagram. You receive an external trigger (a friend's recommendation), which prompts you to create an account. This is followed by a series of external triggers (e.g. push notifications, friends' pictures, comments and "likes" in response to your posts), all of which prompt you to keep using Instagram. After a while, you're so used to snapping photos on Instagram that you're afraid to miss a special moment if you don't snap it.

- Social media are powerful because they have multiple internal triggers, e.g. they can be triggered by boredom, the desire to connect, fear of missing out etc.

To build the right triggers, you must first understand your users' internal triggers.

- *Start with emotions* (e.g. frustrations and pain-points) rather than product features. In reality, all humans are driven by a set of common needs and desires. By studying successful habit-forming products, you can understand those needs and create your own triggers.

- *Examine what people actually do*, rather than what they wish/say they'd do. For example, we may wish to exercise every night but end up eating junk food in front of the TV.

- To understand a behavior, *keep asking "why"* until you uncover the root cause or internal trigger. For example, we keep checking our emails because we're afraid to be out of the loop; we keep posting on Instagram because we're afraid to miss out on a special moment.

ACTION STEPS

Consider these questions to develop the right triggers:

- Who is the user of your product? Which internal trigger does the user experience most frequently? Express it as a statement: "Each time the user [internal trigger], he/she [first action of intended habit]."
- What's the user doing just before the intended habit? What are the best times/places to send an external trigger? How can you link an external trigger to the time the internal trigger is activated?

KEY QUOTES

- What are 3 internal triggers that can cue your user to action? Brainstorm 3 conventional triggers using existing technology (e.g. emails, notifications) and 3 triggers that may not be viable yet (e.g. biometric sensors).

Step 2: Action

A trigger is useless unless it creates real action. And, people will only take action if the desire outweighs the effort (mental/physical).

According to Dr. BJ Fogg, Behavior = Motivation + Ability + Trigger (B = MAT). To successfully trigger action, you must make it easy to perform the action, increase the motivation to do it, *and* have an effective trigger.

- *Motivation* to take the action. Fogg says that there're 3 key motivators, each with a set of positive and negative feelings:

  (i) Seek pleasure + Avoid pain

  (ii) Seek hope + Avoid fear

  (iii) Seek social acceptance + Avoid rejection

- *Ability* to complete the desired action. The fewer and simpler the steps, the more likely that people can/will do it. As a rule of thumb, always improve ability first, then motivation. Fogg presents 6 elements that affect how easy it is to complete a task:

  (i) Time

  (ii) Money

  (iii) Physical effort

  (iv) Brain cycles (i.e. the amount of mental focus and effort)

  (v) Social deviance (how far the behavior is accepted by others)

KEY QUOTES

"To initiate action, doing must be easier than thinking."

"A given behavior will occur when motivation, ability, and a trigger are present at the same time and in sufficient degrees."

"The greatest return on investment will generally come from increasing a product's ease-of-use."

"To successfully simplify a product, we must remove obstacles that stand in the user's way."

(vi) Routine (how far it fits or disrupts existing routines).

- A *trigger* to activate the behavior (covered in Step 1 above).

Our decisions and behaviors are also influenced by mental biases or heuristics. For example:

- *Scarcity*: When something is perceived to be scarce (or to suddenly become scarce), people value it more. That's why e-commerce stores often add words like "only 7 left in stock".

- *Framing*: Our contexts or surroundings shape our perceptions. People pay a lot to listen to famous violinist Joshua Bell in the concert halls; yet few people even stopped to listen when Bell played in a subway station. Brain-scans also showed that people's enjoyment of wine increased when they believed it cost more (even though it was exactly the same wine).

- *Anchoring*: We tend to anchor our decisions to 1 piece of info, e.g. if we enter a store with a "50% off" sign, we tend to zoom in on the 50% discount rack even though there may be better items on other racks.

- *Endowed progress*: Customers who were given loyalty punch cards with 2 boxes punched out of 12 boxes were 82% more likely to complete the punch cards, compared with those with 0 out of 10 boxes punched. Social media sites like LinkedIn and Facebook use this heuristic to collect more data, e.g. showing progress bars to encourage people to improve their profile strength.

KEY QUOTES

ACTION STEPS

- Define your users' path, from the time they experience an internal trigger till they get the desired outcome from your product. Consider how you can **remove steps** to simplify the process as much as possible.
- Which of the 6 elements above may limit the users' ability to complete the intended tasks? Brainstorm 3 testable ways to **make the tasks easier**.
- Use **heuristics** to encourage habit-formation.

Step 3: Variable Reward

Dopamine is a pleasure-inducing chemical that's released when we experience or expect a reward. Once we learn that something predictably delivers a reward, the anticipation of the reward is already enough to activate dopamine release.

- When users' problems are solved, they're rewarded and become more motivated to repeat the action. To form habits, your product must solve a real problem *consistently and reliably*.

- Yet, if something becomes so predictable that we know *exactly* what will happen, we lose attention. When the cause-effect pattern is broken, we suddenly pay attention again. *Variable rewards* increase the likelihood that we'll keep doing something because we're anticipating a reward and also curious to see what we'll get. This increases the effects of dopamine.

Habit-forming products use 3 key types of variable rewards:

- *Rewards of the Tribe*. Social rewards (e.g. Facebook "likes", upvotes on forum pages, and profile badges) are driven by the human need to feel liked, accepted, connected and included. Such rewards are also variable since we can't predict others' responses (e.g. how many likes or upvotes we'd get).

- *Rewards of the Hunt* come from money, things or information. For example, slot machines keep you playing round after round in anticipation of hitting the jackpot. You scroll through your endless social media feeds to see what else may come up.

- *Rewards of the Self* tap on our desire for mastery, competence, consistency and completion, e.g. we try to level up in video games, learn a new software or win awards/accolades. Variation only makes the process more interesting.

Use these tips for designing your variable rewards:

- *Use 1 or more of the 3 variable rewards* above.

KEY QUOTES

"To hold our attention, products must have an ongoing degree of novelty."

- Variable rewards are only effective if the rewards *match the users' internal triggers and motivations* for using the product, e.g. Quora's upvoting system works because it's aligned with users' desire to find great answers.

- Give users a *sense of autonomy*. A habit-forming product must be enjoyable in itself and make users feel like they're in control. Give people the option to accept or refuse certain features. Tap on behaviors that users *want* to do and are familiar with. For example, if a health app only works when users record *every* meal and exercise, users will soon drop off. However, if the app offers virtual encouragement, comments and questions from other users in response to each new entry, people will naturally feel motivated to keep going.

- Content-driven products can be infinitely variable. However, if your product has limited or *finite variability*, it'll eventually become predictable unless you deliberately add new experiences to keep it novel.

KEY QUOTES

"People must want to use the service, not feel they have to."

ACTION STEPS

- **Interview 5 customers** to find out (i) what they enjoy the most about using your product, (ii) if they experience any moments of delight or surprise, and (iii) if there's anything especially satisfying about your product.
- Define the reward, i.e. how your product relieves the user's pain. Then brainstorm ways to augment it using the **3 types of variable rewards**.

Step 4: Investment

In order for a behavior to become automatic, users must complete this final step—they must invest in the product by putting in their time, effort, money, social capital etc. The more users invest in your product, the more they'll return to use it because of how we rationalize our behaviors:

- *Perceived value*: We place an irrationally high value on our own efforts. People who made their own origami bid 5x higher prices for them compared to others who didn't. The more effort we invest in something, the more we'll value it.

"The more users invest time and effort into a product or service, the more they value it."

- *Consistency*: We tend to act consistently with past decisions. When residents were asked to place a large sign in their yard about safe driving, only 17% agreed. However, when residents were first asked to put a small sign in their window (most of whom agreed), 76% later agreed to the large sign in the yard.

- *Cognitive dissonance*: When there's a conflict in our thoughts, beliefs or attitudes, we'll adjust them to remove the dissonance. Even when we don't like something initially, we'll gradually shift our perception if we see others enjoying them.

Here are some **tips for implementing this step effectively**:

- Investment creates friction/resistance, and must happen only *after* users have already *received the variable rewards*.

- This investment must be associated with a *potential improvement* in the service or experience, e.g. recording personal preferences, inviting friends, adding content (e.g. playlist, notes, photos), building a base of followers, or learning to use an app/software.

- The best habit-forming technologies tap on users' behaviors to *initiate new triggers*, e.g. having users generate to-do lists that trigger new reminders, generating a list of recommendations that users can shortlist, notifying users of responses to their posts etc.

ACTION STEPS

- Review the process for using your product. Brainstorm 3 ways to **add a small user investment**, e.g. add data, content, followers, reputation, skill.
- Brainstorm how to **load the next trigger**, and how to reduce the cycle-time through the Hook.

KEY QUOTES

The 4 Steps of the Hook Model

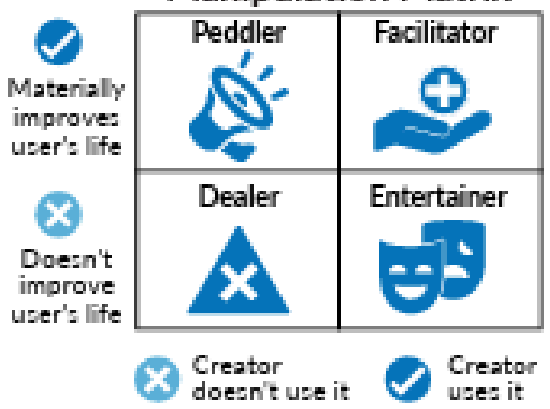
The Manipulation Matrix

Habit-forming products are powerful since they can fundamentally change people's behaviors. And, our ability to create such products will only increase as we improve our capacity to collect and process customer data. Eyal urges innovators and businesses to use habit-forming technologies ethically and responsibly. Help people to form positive/useful habits, not negative/destructive ones.

Use the Manipulation Matrix to consider the implications of your innovation, including if you *can* and *should* hook your users.

- Ask yourself *2 questions*: "Would I use this product myself?" and "Will it help users to improve their lives?"

- There are *4 key quadrants*:



(i) *Facilitators* help users to create a healthy habit. It's morally better and increases your chances of success (by delivering something of real value). However, you can't be an effective facilitator unless you've personally experienced the problem.

(ii) *Peddlers* try to incentivize people to do things that they don't otherwise value. There's nothing morally wrong with this, but your chances of success will be low.

(iii) *Entertainers* may not materially improve their users' lives, but they can bring temporary joy, laughter and connection. However, such rewards are short-lived, so you must constantly find new ways to inject novelty.

(iv) *Dealers* offer a product that's exploitative, i.e. it exists mainly to extract money from the user, e.g. gambling, drugs.

KEY QUOTES

"Ubiquitous access to the web, transferring greater amounts of personal data at faster speeds than ever before, has created a more potentially addictive world."

"Peddlers tend to lack the empathy and insights needed to create something users actually want."

"Entertainment is a hits-driven business because the brain reacts to stimulus by wanting more and more of it, ever hungry for continuous novelty."

YouVersion's Bible app is a great case-study of a habit-forming product. As of Jul 2013, it has been downloaded on >100mil devices.

- The app was designed to help people with their Bible study. It started as a desktop website, but didn't really take off until they created a mobile version that could be used anytime, anywhere.

- The app was optimized for reading, with >400 reading plans to cater to a range of audience, goals, preferences and languages. It presented small, digestible chunks of daily reading (which was much less intimidating than reading the whole Bible).

- The app utilized effective triggers (e.g. greetings during Christmas, members' virtual encouragement and community emails), all of which prompted people to open the app or share the messages. User data and behavioral patterns were used to further tailor the app, to make it as easy/simple to absorb God's Word as possible. When users went through a rough patch, they often found themselves uplifted by inspiring notifications, as if they were hearing from God himself. The app also offers an element of variability and surprise, since you don't know what verse or notifications you'll get each day.

- Users progressively invest in the app when they create bookmarks, highlight verses and make notes. Over time, the app becomes an invaluable personal Bible, packed with their own insights and notes.

KEY QUOTES

"It's a case study in how technology can change behavior by marrying the principles of consumer psychology with the latest in big data analytics."

Habit Testing

You can use the Hook Model to identify potential weaknesses and ideas for improvement. However, you won't know which ideas will work until you test them. Eyal presents a simple Habit Testing process based on the build-measure-learn Lean method. This is a continual process that should be applied to every new product feature and iteration:

- *Identify* what a devoted user means. Consider who are your product's habitual users and how often they'd realistically

use the product. Define the numbers and type of users who meet these criteria: if <5% of your users are devoted users, it probably means your product isn't valuable or useful enough.

- *Codify the Habit Path*. Different customers will use your product differently. Your goal is to collect enough data to identify a pattern or a "Habit Path" shared by your most loyal users. Then, seek to replicate those action steps. For example, Twitter found (in its early days) that once new users followed 30 other members, they were drastically more likely to keep using the app.

- *Modify* or gently prod new users down the Habit Path.

Uncover Habit-forming Opportunities

You can discover great opportunities through careful observation:

- *Daily behaviors*. Consider why you do or don't do certain things, and how those tasks could be made easier and/or more rewarding. Ask yourself: "what problem do I wish someone else could solve for me?"

- *Nascent behaviors*. Technologies that are massively successful in a niche often end up spreading if they can address a wider need. Such innovations (e.g. disposable cameras, telephones) are often dismissed initially as nice-to-have vitamins but eventually become a painkiller for a major pain/itch.

- *Enabling technologies*. Every 10 years or so, new enabling technologies (e.g. the internet) emerge to provide the foundation for mass market penetration/adoption. Alternatively, a shift in user interface (i.e. how people interact with technology) can also bring massive changes, like how Apple changed the mobile phone interface and Google changed the search interface.

KEY QUOTES

"Careful introspection can uncover opportunities for building habit-forming products."

"Wherever new technologies suddenly make a behavior easier, new possibilities are born."

ACTION STEPS

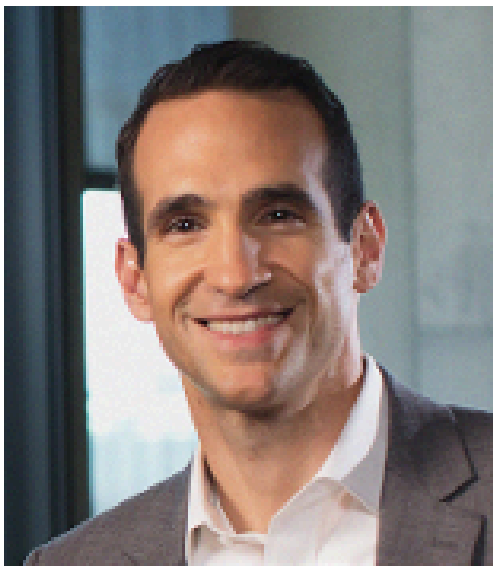
- Consider where your product falls on the **Manipulation Matrix** and if you're proud of the way you're influencing people.
- Use **habit testing** to identify the Habit Path for long-term engagement.
- Look for new **habit-forming opportunities** by observing your own behaviors, looking for nascent behaviors, enabling tech or new interfaces.

Other Details in the Book to Look out For

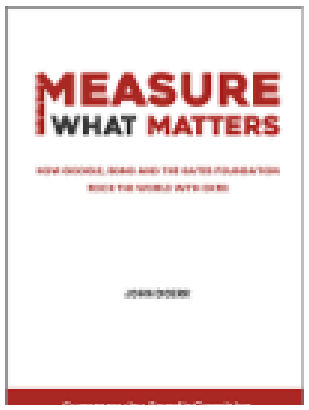
This is an easy-to-read book that includes many real-life examples, case studies and useful empirical research/background. Each chapter comes with a brief summary and recommended questions/ exercises to help you get started. We've captured the key ideas and tips with selected examples in this summary. For more details, please visit www.nirandfar.com/hooked/.

About the Author

Nir Eyal is an Israeli-born American author, lecturer and investor. He earned a B.A. at Emory University, worked for Boston Consulting Group and a solar panel installation firm before graduating with a Master of Business Administration from Stanford. He then founded a digital marketing company with his friends before becoming a consultant in product design. Eyal also teaches university courses and gives speeches about how psychology intersects with technology and business.



KEY QUOTES



MEASURE WHAT MATTERS

How Google, Bono and the Gates Foundation Rock the World with OKRs

JOHN DOERR

The Big "So What"

Great ideas are useless if you can't execute them. Objectives and key results (OKRs) help to create clarity, focus, accountability, alignment and momentum to deliver real results. This book explains the value of OKRs and why you should apply them in your work and life.

Introduction

What are OKRs?

OKRs stand for objectives and key results. They provide a structured way for teams and individuals to set and achieve their goals.

- An *objective* is what you're trying to achieve. A sound objective should be meaningful and inspiring. It typically involves a timeframe of at least 1 year.

- *Key results (KRs)* are how you'll achieve the objective. They provide a yardstick to measure and track your progress. Good KRs are specific, measurable, challenging and time-bound.

- *KRs ➡ Objective*. A KR should be so concrete that it's crystal-clear if you have achieved it; there's no grey area. Let's imagine your long-term objective is to dominate the mid-range personal computer market. Without KRs, it's hard to tell if you're on-track. However, you can clearly measure if you've achieved a quarterly KR of winning 15 new designs or growing market share by 10%. Assuming you've identified the right KRs, you'd know in the next month or quarter whether you're moving toward your objective. When you've achieved all your KRs, you'd have achieved your objective.

KEY QUOTES

"Ideas are easy. Execution is everything."

"If you don't know where you're going, you might not get there."
—Yogi Berra

"Objectives and key results drive clarity, accountability, and the uninhibited pursuit of greatness."

"OKRs surface your primary goals. They channel efforts and coordination. They link diverse operations, lending purpose and unity to the entire organization."

OKRs can be applied in any organization from startups to non-profit organizations and established corporations. OKRs have been adopted by many companies such as BMW, Disney, Exxon, LinkedIn, Oracle and Samsung. You can also apply OKRs in your personal life.

- However, there are *no fixed steps or rules* for OKRs. Instead of presenting specific how-to tips, Doerr uses various examples and interviews with leaders to explain the value and potential of OKRs.

- In this summary, we've distilled the key insights in *2 parts* to explain how OKRs deliver results and the ingredients needed for successful OKR application.

OKR: lessons from Intel

Doerr learned about OKRs from Dr. Andy Grove when the latter was Intel's executive vice president. Grove later went on to become Intel's CEO. Intel's innovation management is built on the philosophy that knowledge alone isn't enough; it's how you apply the knowledge that matters. OKR is a manifestation of that philosophy.

The power of OKRs can be seen in "Operation Crush".

- In the late 1970s, Intel had developed the 8086 micro-processor—the first high-performance, 16-bit micro-processor—meant to capture the growing personal computer market. However, it was facing a real threat from Motorola's 68000.

- Intel responded swiftly with Operation Crush to infuse urgency and secure Intel's position as the market leader. In just 1 year, it mobilized the entire company to meet the challenge, and won a definitive victory over Motorola.

- Intel's leaders took the lead by quickly diagnosing their situation and strategic options—they decided they had no time to rebuild the 8086 and would have to focus on using marketing efforts instead. Once the broad direction was set, Operation Crush brought together the top management, salespeople and 4 marketing departments across 3 different locations.

KEY QUOTES

"OKRs are Swiss Army knives, suited to any environment."

"It almost doesn't matter what you know. It's what you can do with whatever you know or can acquire and actually accomplish [that] tends to be valued here."
- Andy Grove

"Crush was a thoroughly cascaded set of OKRs, heavily driven from the top, but with input from below."

- Teams developed solutions from bottom-up to support the high-level strategy. Each quarter, the broad objectives were translated into specific KRs for each key function—from engineering to marketing—and further expanded into concrete, actionable steps. Here's an example of 1 set of quarterly KRs:

CORPORATE OBJECTIVE
Establish the 8086 as the highest performance 16-bit microprocessor family.
KEY RESULTS (Q2 1980)
1. Develop and publish 5 benchmarks showing superior 8086 family performance (Applications)
2. Repackage the entire 8086 family of products (Marketing)
3. Get the 8MHz part into production (Engineering, Manufacturing)
4. Sample the arithmetic coprocessor no later than June 15 (Engineering)

- Since the OKRs were shared openly, people could coordinate their efforts dynamically and take swift, unified action. Intel's existing culture provided the necessary foundation for such an open, collaborative approach.

From Ideas to Sound Execution

OKRs help to translate ideas into results through 4 key success factors.

1. Focus and Commitment to Core Priorities

If you want to fill a jar with rocks, pebbles and sand, the best way is to start with the rocks, followed by the pebbles and sand, so the latter can fill in the empty spaces between the rocks. If you start with the sand and pebbles, you'll have no space left for the rocks. Likewise, to maximize results, you must focus on your top priorities first.

OKRs force leaders to decide on and commit to what matters most.

- *Ask this question*: What are the most important outcomes we must achieve in the next 3 months? Decide on the few core initiatives to focus on, and set the rest aside.

- *Commit these priorities on paper* so they can be clearly communicated throughout the organization to direct everyone's efforts results.

KEY QUOTES

"OKRs may be called a tool, or a protocol, or a process."

"An effective goal-setting system starts with disciplined thinking at the top, with leaders who invest the time and energy to choose what counts."

Senior leaders are 100% responsible for the organizational-level OKRs. This includes (i) setting the OKRs, (ii) articulating them clearly and (iii) role-modeling the desired actions and behaviors.

- *Choosing what to focus on* is an art, and it falls on senior leaders to make these tough decisions. Set aside the time and energy to research, analyze and think deeply about what truly matters. When in doubt, refer back to your mission, e.g. Google is guided by its mission to "organize the world's information and make it universally accessible and useful."

- In *communicating the OKRs*, make sure you address both the why and the what, to clearly show how the milestones are linked to the wider mission.

Tips/insights

- There's no fixed or ideal way to do your planning. However, Doerr recommends having 2 parallel planning cycles for *quarterly OKRs and annual OKRs*. A quarter is short enough to drive immediate action and respond to changes, yet is long enough to deliver meaningful results.

- Go for fewer KRs, but make sure that each one is significant. A well-defined objective can usually be achieved with just *3-5 strong KRs*. Check that your KRs:

  (i) Are concise, specific, and measurable (e.g. "reduce average processing time by 5 seconds");

  (ii) Include both inputs and outputs (e.g. reduction in errors by 10% and winning 5 awards); and

  (iii) Will jointly result in the objective being achieved.

It takes commitment to push aside distractions and stick to your core priorities. It will also take dedicated effort to tailor an OKR system for your organization. Commit to the process and keep persisting.

- Nuna is a healthcare data platform and analytics company. In 2015, Nuna tried to implement OKRs using a top-down approach. However, it failed as there was no buy-in from the leadership team nor any integration with their existing goal-setting process.

KEY QUOTES

"The art of management lies in the capacity to select from the many activities of seemingly comparable significance the one or two or three that provide leverage well beyond the others and concentrate on them."
- Andy Grove

"Key results are the levers you pull, the marks you hit to achieve the goal."

"To inspire true commitment, leaders must practice what they teach."

- They tried again the following year. This time, the founder personally reached out repeatedly to each person, and set the example by sharing and inviting feedback on her OKRs. Gradually, OKRs became a vital part of the organization.

2. Alignment and Connection for Teamwork

Alignment means that everyone's efforts are directed toward the same vision and objectives. By making everyone's goals transparent—from the CEO to the front-line staff—OKRs help people to understand their inter-dependencies and see how their work serves a wider purpose.

In short, OKRs can promote teamwork, work satisfaction and alignment.

- With transparency, everyone can see what everyone else is doing. They understand where they fit in the big picture and feel a greater sense of connection.

- It's also easier for teams and individuals to set their OKRs and develop solutions that're aligned with the organizational-OKRs. People can take the initiative to coordinate efforts across various functions, reach out to colleagues to explore potential areas for collaboration and reduce duplication. It also facilitates rewards and recognition based on meritocracy.

Connecting your OKRs. Imagine you're the General Manager of a football club. Your objective is to earn profits for the owners with 2 KRs: (i) win the Super Bowl and (ii) fill ≥85% of your home stands. To achieve these KRs, you need your coaches build a winning team and your marketing team to fill the stands.

- With the high-level OKRs, your coaching and marketing teams can figure out how exactly to *align the team/individual OKRs* with the wider goals.

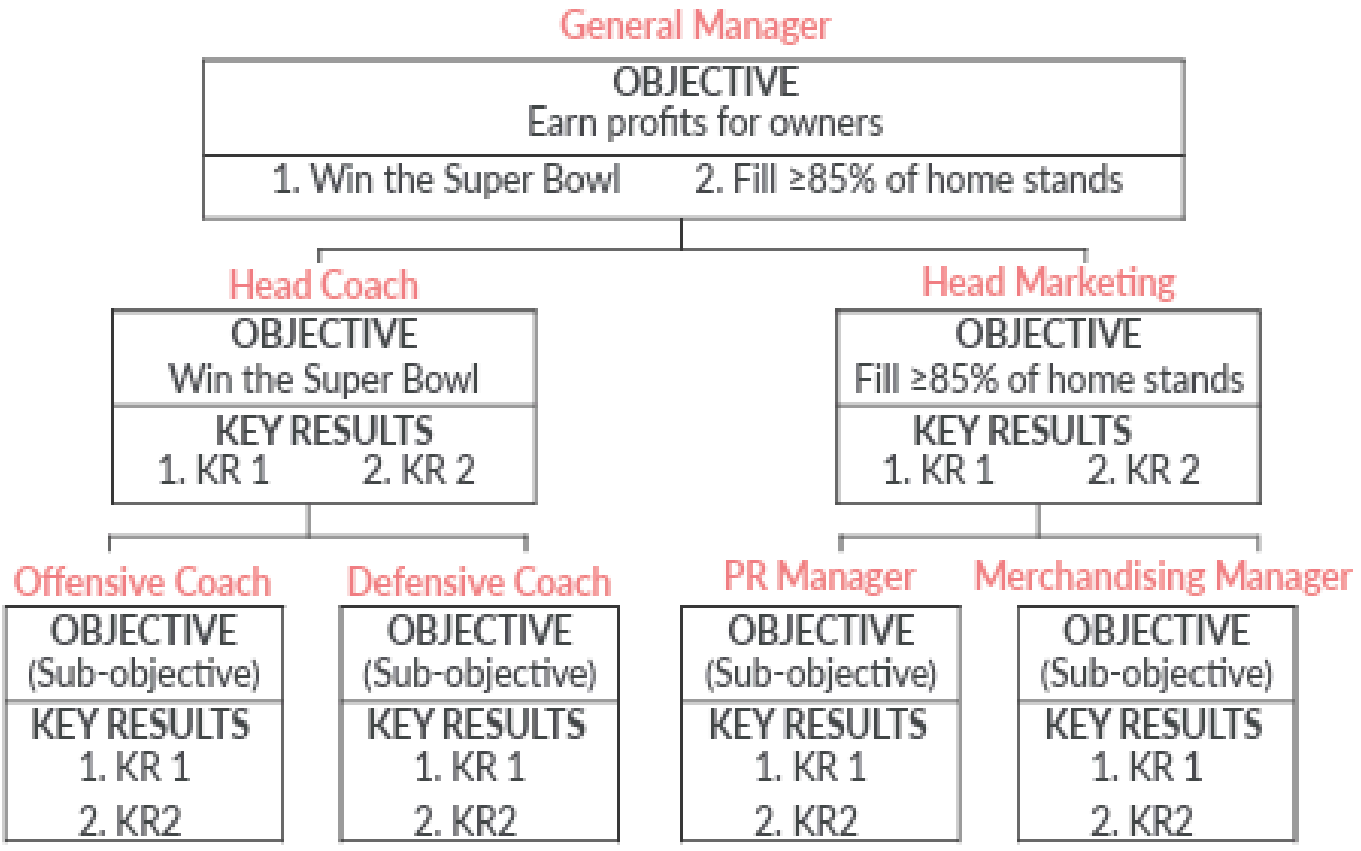
- These OKRs are shared openly so anyone can see the big picture and contribute ideas. There's a healthy *mix of top-down and bottom-up goal setting*. People can easily identify potential areas of synergy and collaboration, and coordinate any cross-functional changes.

KEY QUOTES

"Alignment is about helping people understand what you want them to do."

"People can't connect with what they cannot see; networks cannot blossom in silos."

"High-functioning teams thrive on a creative tension between top-down and bottom-up goal setting, a mix of aligned and unaligned OKRs."



Tips/insights. Doerr shared the case studies of how MyFitnessPal and Intuit used OKRs to facilitate cross-team connection and integration. Here are some insights gleaned from their experience:

- It's not enough to simply set good OKRs. Real coordination between teams can only happen when there are supporting *systems and behavioral norms* to encourage regular sharing and communication.

- To ensure *accountability*, there should only be 1 owner for each KR. It's ok for teams to have similar objectives, but every team must have clear, distinct KRs with no overlaps.

- Consider *implementing your OKR system in phases*. Intuit's Chief Information Officer, Atticus Tysen, rolled out OKRs amongst the IT group progressively like a pilot project. He started OKRs on a small scale with his direct reports for 1 quarter, then expanded to the director level the next quarter, followed by 600 IT staff the following quarter. Eventually, OKRs help the IT group to align some 2,500 active objectives each quarter, both vertically and horizontally.

3. Tracking for Accountability

OKRs are dynamic tools, not static numbers. By tracking and reviewing OKRs regularly, people know exactly where they stand,

KEY QUOTES

"Connected companies are quicker companies."

"Micromanagement is mismanagement. A healthy OKR environment strikes a balance between alignment and autonomy, common purpose and creative latitude."

"OKRs are living, breathing organisms."

stand, what areas must be addressed, and are held accountable for results. Broadly, there are 3 key phases for OKR-tracking.

Setup your OKRs system such that it can be scaled up in future.

- Consider using *OKR management software* which allows users to create, edit, track and share their OKRs easily, as well as integrate OKRs with other sales or team-collaboration apps.

- For OKRs to work, everyone must be onboard without exception. Consider having *OKR champions* to overcome resistance and encourage adoption.

Midlife Tracking. When people have a clear goal and can see how they are progressing toward it, they feel more motivated.

- Have a *dashboard* with real-time progress presented in a quantifiable, visual way (e.g. using charts) so everyone can see (i) where they stand and (ii) where attention/action is required.

- Have *regular reviews*, including 1-1 and group sessions, to evaluate progress and address obstacles. Ideally, hold weekly check-ins between the managers and contributors.

- Any KR that's not ontrack must be adjusted or replaced. There are *4 options* you can consider at any point in time:

  (i) *Continue* with the items that're on-track.

  (ii) *Adjust* items that're falling behind, e.g. change the timeline or reallocate resources to bring them back on-track.

  (iii) *Stop* something if it's no longer a priority. Make sure everyone is notified of the change and do a proper review to learn from the process.

  (iv) *Start* a new OKR as and when required.

Wrap-up in 3 parts:

- *Score* your OKRs to evaluate your outcomes, decide if a goal is still worth pursuing and/or identify ways to improve it. In advanced OKR systems, scores can be automatically calculated based on predetermined criteria (e.g. grouping KRs into "green", "yellow" or "red" status for easier management).

KEY QUOTES

"Our goals are servants to our purpose, not the other way around."

"In the end, the numbers are probably less important than contextual feedback and a broader discussion within the team."

- Use the data to do a *self-assessment*. This is *not* a performance appraisal to assess compensation and rewards. The focus should be on learning and improving future actions.

- Step back to *reflect* on what you've learned so you can consolidate your learning and to celebrate your successes. Consider (i) how far you achieved your objectives and why, (ii) what you've learned from the obstacles you faced, (iii) how you could've written your objectives better and (iv) how you could better approach future OKR-cycles.

When tackling ambitious, long-term goals, break things down into smaller, meaningful parts that can measured and tracked. For example, the Bill & Melinda Gates Foundation has the ambitious goal of eradicating malaria. However, they must first consider if it'd be more practical to expand the reach of vaccination or eradicate the disease. Only then could they define the next level of strategy and break things down into daily activities that can be tracked and evaluated.

4. Stretching for Breakthroughs

Innovation is essential for organizational success. This in turn requires that people stretch beyond existing limits and solutions. OKRs deliver all the factors above—focus and commitment, transparency and alignment, tracking and adjustment—so people can stretch to deliver breakthrough innovations.

Stretch goals need not always be big; they could also be about doing small things extraordinarily well.

- Having an *innovative culture* is simply about striving constantly to deliver much more value with much less resources. When people believe that they're stretching to their full potential, they also feel more fulfilled.

- To win big, you must first think big. Don't assume something is impossible just because it doesn't yet exist. Aim to deliver something that's *at least 10x better* than what's available, then work backwards to make it a reality.

KEY QUOTES

"There are no judgments, only learnings."

"OKRs push us far beyond our comfort zones. They lead us to achievements on the border between abilities and dreams."

"Conservative goal setting stymies innovation. And innovation is like oxygen: You cannot win without it."

"As a leader, you must try to challenge the team without making them feel the goal is unachievable."

- There's no fixed formula for *setting stretch goals*. The key is to define (i) what an amazing yet believable outcome would look for your team, and (ii) how you can deliver extraordinary value. Real stretch goals won't be attained 100% of the time. In Google, achieving 70% of OKRs on average is already considered a success. The challenge is to make your goals challenging without being impossible.

Stretch goals can broaden people's perspectives and fuel imagination to create solutions that won't otherwise be considered.

- *Google Chrome*'s success came on the back of a series of stretch goals. The team chose to rethink and reconstruct the best possible browser from scratch rather than merely improve existing browser designs. When Chrome was launched in 2008, Larry and Sergey set an inspiring vision to "make the web as fast as flipping through a magazine". This pushed Googlers to explore totally new solutions and approaches. Each time they failed, they asked themselves what they could do differently. For the first 2 years, the team missed their ambitious weekly-user targets of 20mil and 50mil respectively. However, they kept learning and persevering, finally exceeding their goal of 100mil in 2010.

- In 2012, *YouTube* made the bold decision to shift its focus from views and clicks to watch-time. This was based on the insight that people would only spend more of their valuable time watching a video if they were happy with it, so a higher watch-time meant higher user engagement and satisfaction. The team set the stretch goal of reaching 1 billion hours (a 10x increase) by 2016. People started to think big and look at ways to fundamentally redesign their architecture and storage. They broke the huge goal down into rolling year-on-year increases, and identified the 3-4 outcomes that'd make the biggest difference. They went on to change the algorithm, make the platform more user-friendly (especially for content like music, how-to videos, and entertainment) and measure *everything* they did in terms of the impact on watch time.

OKRs are powerful, but they're not a magic bullet. To deliver results, OKRs must work hand-in-hand with great leadership and a strong culture.

KEY QUOTES

"If you set a crazy, ambitious goal and miss it, you'll still achieve something remarkable."
- Larry Page

"Stretch goals are invigorating. By committing to radical, qualitative improvement, an established organization can renew its sense of urgency and reap tremendous dividends."

"Stretch OKRs are an intense exercise in problem solving."

"By testing our limits and affording the freedom to fail, they release our most creative, ambitious selves."

Ongoing Improvement and Performance Management

To set and achieve meaningful goals, you must have ongoing dialogues and continuously manage performance. Annual performance reviews are inadequate and ineffective for such purposes.

Use 3 key components of continuous performance management with OKRs—conversations, feedback and recognition (CFRs)—to achieve transparency, teamwork, accountability learning and ongoing improvement.

Conversations. Hold separate dialogues for compensation and performance management.

- Compensation focuses on past performance while OKRs focus on future goals/performance. Direct your *OKR conversations* toward (i) where your team members are spending their time/resources, (ii) how they're progressing toward their OKRs, (iii) what obstacles they face, (iv) what support they need, and (v) what types of growth/development they need to achieve their career goals. Leaders should play the roles of facilitators and coaches, not disciplinarians or micro-managers.

- OKRs are still relevant for performance review, but shouldn't be the sole determinant of *compensation* (e.g. bonuses and pay). After all, someone who achieves 75% of a stretch goal could have delivered much more value than someone who achieves 100% of a conservative goal. At Google, OKRs make up about one-third of compensation considerations.

Feedback. Without feedback, people won't know where they stand nor how to improve. Moreover, in the modern workplace, people *want* to be heard, to be involved in goal-setting and to connect/collaborate with their colleagues.

- By making OKRs transparent and encouraging *360 degree feedback*, you're essentially removing silos and allowing ideas to flow freely across the organization.

- Encourage *constructive, specific feedback*. Make it a norm for people to ask if they're focusing on the right things and how they can do things differently or better.

KEY QUOTES

"OKRs are not a silver bullet. They cannot substitute for sound judgment, strong leadership, or a creative workplace culture. But if those fundamentals are in place, OKRs can guide you to the mountaintop."

"As workplace conversations become integral, managers are evolving from taskmasters to teachers, coaches, and mentors."

"Feedback is an opinion, grounded in observations and experiences, which allows us to know what impression we make on others"
- Sheryl Sandberg

"Public, transparent OKRs will trigger good questions from all directions."

Recognition can be more motivating than monetary rewards and incentives. OKRs make it much easier for ideas and contributions to be noticed and recognized. It could be as simple as (i) having peer recognition or "shout-outs" whenever someone is seen doing something noteworthy, (ii) celebrating specific goal-achievement, behaviors or milestones e.g. having an "Achievement of the Month" award and/or (iii) sharing stories to acknowledge meaningful achievements, however big or small.

Culture

OKRs and organizational culture are inter-dependent.

Without the right cultural support and buy-in from key leaders, it's hard to successfully install OKRs. For example, Lumeris initially struggled to roll out OKRs as many of its senior leaders adopted an autocratic approach that was inconsistent with both OKRs and with Lumeris' core values. Lumeris made the tough decision to remove senior leaders who didn't fit with the company culture. Without conflicting signals from leaders, they could now educate people about transparency, accountability, and how to use OKRs to improve individual and organizational results.

Once they are in place, CFRs and OKRs work together to influence what people focus on and how they think and act. They create opportunities for everyone in the organization to be heard (including the less vocal people), encourage critical thinking and disciplined action, all of which jointly shape the organization's culture and reinforce transparency, innovation and accountability in a positive loop.

Other Details in the Book to Look out For

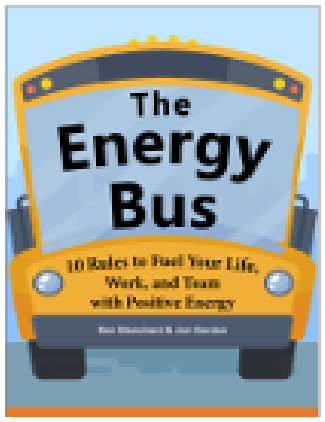
There's no one-size-fits-all approach for OKRs. It's up to the leaders of an organization to figure out the right goals and approach for their teams. Besides the highlights in this summary, the book includes various other examples and interviews with leaders to give you a range of perspectives on the potential challenges and results from OKRs. For more details, please visit whatmatters.com.

KEY QUOTES

"Modern recognition is performance-based and horizontal. It crowdsources meritocracy."

"Goals cannot be attained in a vacuum. Like sound waves, they require a medium. For OKRs and CFRs, the medium is an organization's culture, the living expression of its most cherished values and beliefs."

"Healthy culture and structured goal setting are interdependent. They're natural partners in the quest for operating excellence."



THE ENERGY BUS

10 Rules to Fuel Your Life, Work, and Team with Positive Energy

Ken Blanchard & Jon Gordon

The Big "So What"

Through a fictional story about how a man overcame serious career and marital problems, the authors present 10 rules about using positive thinking and positive energy to create desired outcomes in life. The ideas are useful for anyone who wants to overcome challenges, build strong teams, and live a happy, fulfilling life.

Introduction

To succeed in your personal and professional life, you must learn to manage people's energy, including your own. This book explains how to manage negativity and create positive energy to bring desired outcomes for yourself, your team/organization and your family.

- Research shows that positive thinking and communication create better results in various aspects of life—from personal health to family relationships, teamwork, and success. *Positive energy* in this book refers to the joy, passion, enthusiasm, optimism, and sense of purpose that allow us to live and perform at a higher level. It affects how you lead and build your teams at work, how you manage challenges and adversities in life, and how you interact with others around you. It determines if you allow negative forces to drag you down, or if can counter those forces to bring out the best in others and in yourself.

- Through a fictional story about a George—a middle manager struggling with a series of challenges at work and at home—the authors present *10 rules to help you harness positive energy* to overcome problems and setbacks in life. In this summary, we'll outline the story before elaborating on the 10 rules.

KEY QUOTES

"I hope you use this book not only to fuel your life, work, and team with positive energy but also to enjoy the ride of your life."
—Jon Gordon

"Positive people, positive communication, positive interactions, and positive work and team cultures produce positive results."

Story Outline

The story is about George, a manager at NRG (a lightbulb manufacturing company). George had a great start to his career and a loving family. Yet recently, nothing seemed to be going right, and he felt besieged by problems on all fronts.

- *At work*, his team had been performing badly and was struggling with an upcoming product launch. George's job was at risk unless he could turn things around quickly.

- *At home*, his negativity and perpetual sense of doom-and-gloom was making everyone miserable. His wife threatened to leave him if he didn't change.

- George's life seemed to be unraveling in front of him, and he felt *helpless and frustrated*. When his car broke down and he had to take the bus to work for 2 weeks, George felt like it was the last straw. Could he get any unluckier than this?

Yet, those 2 weeks turned out to be a blessing in disguise. The bus driver, Joy, was a woman full of energy and enthusiasm. After encountering so many passengers who were overworked, overwhelmed, and overstressed, she made it her personal mission to energize each and every passenger on her bus. She called it the "Energy Bus", and it was always full of cheerful passengers.

Initially Joy's exuberance annoyed George, but he soon warmed up to her. Together with the other passengers on the Energy Bus, Joy progressively imparted the "10 rules for the ride of your life" that transformed George's perspectives and attitudes. As he let go of his negativity, things started to change for the better at work and at home.

By the end of 2 weeks, George managed to rally his work team, successfully launch the new product, and renew his relationship with his wife and children. He was amazed at his profound shift, and decided to keep taking the Energy Bus even when his car was repaired.

KEY QUOTES

"Every morning you have a choice. Are you going to be a positive thinker or a negative thinker?"
—Ken Blanchard

The 10 Rules For a Positive, Fulfilling Life

Now, let's look at the 10 rules that led to George's transformation, and the accompanying steps you can take to start applying them.

Rule #1: You're the Driver

Life is like a bus ride. You can only control the journey and destination when you're in the driver's seat.

- Make a real decision to *take control of your life*. It's *your* bus, and you get to choose where you go and what kind of ride it will be.
- To create the life you want, you must first *know what you want*. As the driver, you can ask for advice and directions, but you're ultimately responsible for deciding where to go.

Take some time to crystallize your vision of what you want your life to look like. Write down:

- Your vision for your life (including your health);
- Your vision for your work, career, and team; and
- Your vision for your family and relationships.

Rule #2: Channel your Energy in the Right Place

Everything is made of energy, including physical objects, people, and thoughts. Albert Einstein distilled this concept into the formula $E = MC^2$.

- You can experience this truth in your daily life. The food you eat, the people you hang out with, the words you say, and even the thoughts you think, all *energize or de-energize you*.

To bring your vision to life, you must first focus on it. This begins with your thoughts.

KEY QUOTES

"If you don't take responsibility for your life and control of your bus then you can't take it where you want to go."

"No one can choose your attitude but you."

"If you want to change your situation you must first change your thoughts."

- Have you ever received a call from someone the moment you think about him/her? This phenomenon is known as "telephone telepathy". The *law of attraction* says that thoughts are magnetic. We attract what we think about the most. The more you focus on something, the more it shows up in your life.

- *Our thoughts carry energy*. When you think about a happy memory or an inspiring vision, it can fill you with joy, motivation and positive energy. Thought energy can be so tangible that you may even read someone's mind as if the words are being transmitted to you.

- Write down your vision, then spend at least 10 minutes each day *visualizing your ideal future*.

- At the same time, *stop complaining*. It distracts you from what you want, sends negative thought energy to attract more negatives, and ruins other passengers' ride.

Events + Perception = Outcome. You can't control the events in your life, but you can control how you perceive and respond to them.

- Sometimes, you must experience something you don't want, in order to realize what you do want. See every *challenge or setback* as an opportunity for you to grow wiser and stronger.

- *Surround yourself with positive people*. Use positive energy to overcome challenges to create your desired outcomes.

Rule #3: Fill the Tank with Positive Energy

It's not enough to have vision and focus. You also need fuel to get to your desired destination. Positive energy propels your bus forward, while negative energy clogs up your engine.

- When you whine about problems and blame others, you create/spread *negative energy* that drains and demotivates people. This leads to bad outcomes.

- When you exhibit and spread *positive energy*, it motivates and energizes people. This leads to success.

KEY QUOTES

"Sometimes we have to see what we don't want, to know what we do want."

"Positive energy and positive people create positive results."

"Positive energy is high octane fuel for the ride of your life while negative energy causes sludge to accumulate in your energy pipeline."

- Imagine you have 2 dogs inside you—a positive dog and a negative dog—battling for dominance. The dog that wins will be the one that you feed more. So, *feed the positive dog*.

Let go of your negative thoughts and energy, and focus on the positives that you're grateful for. Fill yourself with positive energy first, so you can share it with others.

- There's always a positive to every negative, or a silver lining to every dark cloud. Consciously *fill your mind with positive thoughts*, so there's no space for negative thoughts to creep in. For example, if you're upset about a flat tire, be thankful that you own a car in the first place. When the restaurant is slow in serving your meal, think of people who're going hungry elsewhere.

- In the story, George learned to crystallize his vision and focus. Thereafter, he was given a book with many 10-minute exercises to give himself *positive energy boosts* throughout the day. He started to take "thank you walks" to think about what he was grateful for, and ended each day by talking to his children about something good that they experienced that day. Before long, George started to feel better about himself and his life, and others began to see the positive changes in him.

Rule #4: Invite Others on the Journey

With a clear vision/focus for your journey and fuel in your tank, you're now ready to invite people onto your bus, and to share your vision with them. The more positive people you have on the bus, the more you can generate and spread the positive energy.

It was just 1 week to the product launch, and George's team was still in a mess. If they were to have any chance of success, they had to pull things together quickly. Joy advised him to get buy-in by sharing his vision and inviting people to get on the bus with him.

- George followed Joy's recommended steps closely:

  (i) He sent an email with an electronic bus ticket to his boss and team members to spark their curiosity.

KEY QUOTES

(ii) Then, he met each person individually to share his vision for the product launch, explain where his bus was going, and invite them to come onboard.

(iii) He concluded each meeting by giving the person a printed ticket. If they were ready to board the bus, they should return the ticket (with their name on it) the following Monday at 9am.

(iv) Separately, he also gave a ticket to his wife, with a vision for himself, their marriage, and their family.

- On Monday, George returned to the office in anticipation, only to find that not everyone was willing to get on his bus.

(i) Three of his team members believed the product launch would fail, and they didn't want to be a part of it. They preferred to remain on the sidelines as the rest worked on their final preparations.

(ii) Surprisingly, 2 of the most troublesome team members submitted their tickets. However, instead of contributing, they only disrupted the meetings with endless criticisms and negativity.

Rule #5: Don't Waste Energy on Those Who Refuse to Board

Between the 3 deserters and 2 trouble-makers, George felt like his bus had stalled before it even started. He was devasted. The next morning, he confided with his fellow passengers on the Energy Bus, and learned the next rule: Don't waste time/ energy on people who refuse to come onboard.

- If people don't share your vision and don't want to be on your bus, there's *no point having them onboard*. It will only ruin the ride for everyone else, and distract you from driving the bus or serving the other passengers.

- Accept that some people will get on your bus and some won't. *Don't take it personally*. However, speak with each person who refused the ticket, and give them a final chance to come onboard. If their answer is still "no", then exclude them from all meetings and discussions until you can formally remove them from the bus.

KEY QUOTES

"You haven't failed until you stop trying."

Rule #6: Remove the Energy Vampires From Your Bus

There will always be negative people who kill productivity and sabotage your efforts by instilling doubts and fear. They are like energy vampires that suck the life out of you and your passengers.

- Put up a "*No Energy Vampires Allowed*" sign and remove such people from your bus. Let the energy vampires know that you won't tolerate negativity. They can either change their attitude and contribute constructively to the shared vision, or get off the bus.

You can only counter others' criticism if your beliefs, conviction and vision are strong enough to withstand their doubts. You can only counter others' negativity if you have enough positive energy. This is especially important if the nay-sayers are people you cannot remove from your bus, such as your boss.

- Develop the habit of infusing yourself with positive thinking and positive energy throughout the day.

Equipped with Rules 5 and 6, George got his team in order by confronting the 2 energy vampires and the 3 members who didn't submit their tickets.

- After a series of 1-1 meetings, 3 of the team members agreed to get on the bus fully to give George and his vision a chance. However, one of the members quit, and another was fired. In the process, George realized how much his own negativity had hurt the team's morale and productivity in the past. He resolved to be a better leader moving forward.

- With the right people on the bus and a renewed sense of hope, George's team had their most productive day in months.

Rule #7: Use Enthusiasm to Attract and Retain Passengers

This rule is about leading from the heart, to infect others with your positive energy and emotions.

- Emotions are basically *energy in motion*. Your emotional state reflects how energy is flowing through you. When you try

KEY QUOTES

"Your positive energy and vision must be greater than anyone's and everyone's negativity. Your certainty must be greater than everyone's doubt."

"The heart is your power center. It's where contagious positive leadership comes from."

to please others or gain their approval, you give away your power. When you bring happiness, gratitude, and excitement to others, you empower everyone. People were found to be stronger and more resilient when they were thinking positive thoughts than when they were thinking negative ones.

- Studies show that *emotions are contagious*. The heart serves as an emotional conductor—your feelings are broadcasted through your heart's electromagnetic field to every cell in your body and beyond, for up to 5-10 feet. It's easier to feel good when others around you feel good too.

Be a Chief Energy Officer (CEO) to spread courage, optimism, and enthusiasm.

- Your *excitement* decides if people want to get on your bus and stay there. When you're truly passionate and excited about your life and work, others will feel the energy and want to get on your bus. The more positive people you have onboard, the more your reputation and energy spreads, and the more passengers you'll attract.

- Let your enthusiasm attract passengers and energize them during the ride. *Nurture other CEOs* who can continue to spread the positive energy throughout your organization and beyond.

Rule #8: Love your Passengers

Besides their strong enthusiasm, great leaders show genuine care and concern for the people around them. When you truly love and care for your team, they will love and care for you back.

Specifically, you can love your passengers in 5 ways:

- *Make time for them*. Spend quality 1-1 time to engage them and get to know them as individuals. During your interactions, truly *be* with people and give them 100% of your attention—they will be able to feel the difference.

- *Listen to them* with heart and empathy, so you can truly hear their needs, feelings, ideas, etc.

KEY QUOTES

"Just as every cell in the body beats to the frequency of the heart, everyone around you will beat to your frequency and your energy."

"People are always buying you and your energy."

"A life touches a life that touches a life. It spreads, one person at a time."

- *Recognize them* by honoring who they are and what they do. Write them a handwritten note, remember their birthdays and things that matter to them (e.g. their kids' names or their anniversaries). Catch people doing the right things and share positive feedback.

- *Serve them* by helping them to grow, achieve their goals, and enjoy themselves on your bus.

- *See and bring out the best in them*. Constantly look for value in yourself and in others. See the potential in each person, and help them to shine, succeed, and be happy.

With just days to the product launch, George's team had a lot to do. George set aside his own fears and concerns, and reminded himself to trust fully in himself and his team. Once he let go of his uptight/grumpy self and showed his love and care, things started to fall in place, both at work and at home.

Rule #9: Drive with Purpose

Along the journey, you will inevitably encounter setbacks. Without a purpose, you won't have the energy or motivation to persist. On the other hand, when you're working on something truly meaningful, you'll rarely feel bored or tired.

George gathered his team members to discuss their wider purpose as a team, beyond the upcoming product presentation.

- After a *passionate debate*, they agreed that their real goal wasn't just to sell lightbulbs, but to:

  (i) Strive for greatness through great ideas, great marketing campaigns, and great results;

  (ii) Develop Chief Energy Officers within and outside their team to spread positive energy; and

  (iii) Create new possibilities with their lightbulbs, e.g. allow a student to study late for an exam, an elderly person to find his medicine at night, or a working parent to prepare for work before dawn.

KEY QUOTES

"The more you recognize them for doing things right the more they will do things right. Feed the positive dog inside them and watch it grow."

"When you bring out the best in others you can't help bringing out the best in yourself."

"Purpose is the ultimate fuel for our journey through life."

- By the end of the discussion, the energy and excitement in the room was palpable. People were no longer competing for the limelight or pushing for their personal agendas. Instead, they were *collaborating* to find ways to advance their shared purpose.

Fueled by a new sense of purpose and direction, the team worked tirelessly to finish and polish the launch and presentations. The event was a roaring success. Meanwhile, George's relationship with his wife and children also improved dramatically.

Rule #10: Have Fun and Enjoy the Ride

After just 2 weeks on the Energy Bus, George found himself a changed man. When his car was finally repaired, but he decided to keep taking the Energy Bus to surround himself with positive people, and to contribute to others in need. Joy had 1 final rule left to impart: to have fun and enjoy the ride.

- Most people get so overwhelmed and stressed with work and daily responsibilities that they don't stop to notice or cherish the things and people in their lives. They realize too late at their deathbeds that they've failed to *pay attention to what truly matters*.

- *Have fun* on your ride. Appreciate the scenery and enjoy the time with your passengers. Don't rush from 1 destination to the next, or fret over how fast your bus is traveling compared to others.

11 Steps to Start your Energy Bus

Create your vision. Together with your team, develop a shared vision (or multiple visions) for where your bus should be headed. Ask yourselves: What are our goals? What do we see when we look to the future? What do we wish to accomplish?

Find a wider purpose to propel your vision forward. Ask yourselves: How will our vision benefit each team member? How will it benefit others? What do we stand for? What does greatness mean to us? How will we make a difference?

KEY QUOTES

"Shared purpose keeps a team energized and together."

"The goal of every journey should be to arrive at your destination with a smile on your face."

Consolidate your vision and purpose into a vision statement. Write it down.

Focus on your vision. Make sure each member has a copy of the vision statement. Encourage them to review the vision daily, and spend at least 10 minutes per day visualizing the desired future.

Zoom in on the goals and action steps your team must achieve to make the vision a reality. Write these down and share it with the entire team.

Identify the people required to achieve the goals and vision. Invite them on the bus with a digital or printed ticket.

Engage and energize your team on a daily basis to spread positive energy and keep negativity at bay. Cultivate practices and processes to develop a positive culture.

Identify negative team members who are slowing down the bus. Have an open discussion to understand what's going on, why, and agree on a course of action. Try to help them succeed if possible. However, if they're unwilling or unable to change, then get them off the bus.

Expect detours, obstacles, flat tires, and potholes on the journey. In face of adversity and setbacks, ask yourselves: What can we learn from this incident? How can we grow and bounce back stronger? What opportunity does this challenge present?

Show your passengers that you care for them. Find ways to recognize them, spend quality time with them, listen to them, serve them and their growth, and bring out the best in them.

Have fun on the journey, and enjoy the ride! Ask yourselves: how can we succeed and have fun in the process? How can we infuse more joy into our work?

Other Details in the Book to Look out For

This story was inspired by a true experience by author Jon Gordon, when he met a bus driver who impacted him with his positive energy and wisdom. The story is written in a lively and engaging

KEY QUOTES

"Every person and every team will be tested on their journey. It was part of the curriculum of life."

"You have only one ride through life so give it all you got and enjoy the ride."

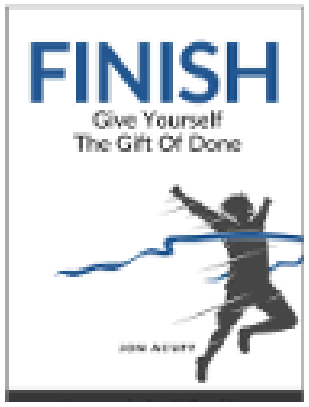
style, with bits of facts, anecdotes and research incorporated throughout the story. For more details, please visit www.theenergybus.com. You can also get more tips and resources from www.jongordon.com.

About the Authors

Ken Blanchard, PhD is one of the most influential leadership experts in the world. He has co-authored 60 books. In 2005 he was inducted into Amazon's Hall of Fame as one of the top 25 bestselling authors of all time. He's also the recipient of numerous leadership awards and honors. Together with his wife, Margie, Ken founded The Ken Blanchard Companies, a leading international training and consulting firm.

Jon Gordon, is an author, speaker, trainer and consultant focusing on leadership, culture, sales, and teamwork. He holds a Bachelor of Science in human ecology from Cornell University and a Master of Arts in teaching from Emory University.

KEY QUOTES



FINISH

Give Yourself The Gift Of Done

JON ACUFF

The Big "So What"

Most people find it easier to start something than to finish it. In this book, Acuff explains why it's so hard to complete what we've started, and presents a set of principles and tips to help us reach the finish line.

Introduction

In his book "Start" published in 2013, Acuff focused on helping people to get past their fears and start on their goals and projects. He later realized that people may struggle to start something, but they struggle even *more* to finish what they've started. For example, only 8% of people finish their New Year's resolutions—the large majority (92%) drop out along the way.

Acuff created an online video course—the 30 Days of Hustle challenge—to help people achieve their goals.

- In 2016, a researcher from the University of Memphis decided to do a study of 850 course participants. The study found that people who finished the course had on average 27% *higher success rates* than when they pursued goals without the course.

- Based on the results from this study and Acuff's own observations, he discovered that the key to finishing is not about working harder. It's about *overcoming perfectionism*, which causes us to set overly-ambitious goals, amplify our mistakes, diminish our achievements, complicate things and quit prematurely.

In this summary, we'll zoom in on how perfectionist tendencies can get in the way of your goals, and how you can overcome perfectionism to finish your plans and achieve real results.

KEY QUOTES

"Starting is fun, but the future belongs to finishers."

"Accomplishing a goal is a lot less like taking a train across country and a lot more like driving a bumper car."

"If you want to finish, you've got to do all that you can to get rid of your perfectionism right out of the gate. You've got to have fun, cut your goal in half, choose what things you'll bomb, and a few other actions you won't see coming at first."

Reaching the Finish Line

Embrace Imperfection

Perfectionism is *not* the same as excellence—it can be an obstacle to success because it pushes you to reject mistakes and quit just because something isn't perfect.

Many self-help books focus on starting strong. It's a good idea to have a plan, but a bad idea to try to have a *perfect* plan.

- Imagine you aim to exercise 30 minutes a day, but miss a day of exercise after 1 week. Perfectionists are likely to quit simply because of this blemish on their impeccable record. Or, you may be doing well with your sales target, then fall short for 2 months and decide that you've fallen too far behind to catch up.

- Many people won't even *start* on a goal if they think it isn't ideal. More than 97% of respondents in an online poll said that at some point in their lives, they've decided not to jot down an idea because it didn't seem good enough. If you wait for the perfect goal, you may never get started. It's much better to start with an imperfect goal and refine it along the way.

Let go of perfectionism and embrace imperfection instead.

- In reality, mistakes are inevitable and most failures *won't kill or hurt you*. On the other hand, if you quit each time you encounter a setback or imperfection, you may soon become a chronic quitter. That's because each time you quit, you're breaking a promise to yourself and losing faith in your own abilities.

- Even *visualization techniques* focus on repeatedly imagining yourself doing something perfectly. When your actual experience turns out to be different, you may feel discouraged and stop trying.

- Beware of the *might-as-well trap*, i.e. thinking "Since I've already slipped up, I might as well stop altogether." The largest proportion of people drop out of The 30 Days Hustle Challenge as early as Day 2—all it takes is something small to mar their perfect plan and they decide they might as well quit.

KEY QUOTES

"We don't want B's and C's when we've got a goal. We want straight A's, especially if it's a goal we've thought about for any amount of time."

"Goals you refuse to chase don't disappear—they become ghosts that haunt you."

"Developing tolerance for imperfection is the key factor in turning chronic starters into consistent finishers."

"The harder you try to be perfect, the less likely you'll accomplish your goals."

"The day after perfect is what separates finishers from starters."

In short, perfectionism plays up our mistakes and plays down our achievements. By embracing imperfection and celebrating incremental progress, you're more likely to survive the bumps on the road to reach the finish line.

Halve Your Goals 50%

Perfectionism prompts us to over-stretch. We believe that that we must "go big or go home" and feel bad about setting small goals.

- Once you've set an overly-ambitious goal, your *perfectionist tendency* kicks in and tells you to quit if you can't do it properly. You tell yourself that it's better to stop now rather than waste all the time/energy and still fail later.

- The *planning fallacy* refers to the human tendency to consistently under-estimate the amount of time needed to complete a future task. Thinking of a big goal can be exciting at the beginning. However, the bigger the goal, the worse the planning fallacy and the more insurmountable it'd seem halfway into the process.

The solution is to cut your goals by 50%. This is not the same as doing half the work. In fact, halving your goals will actually encourage you to do *more*:

- When you reduce your goals, (i) they seem more attainable, and (ii) each time you complete a goal, you feel more motivated to keep going.

- On Day 9 of Acuff's 30-day program, participants were asked to reduce their goals by half. Those who did so improved their average performance by 63% (from their past performance), and 90% felt more motivated to work on their goal.

2X If your goal can't be halved, then double the timeframe allotted to achieving it.

? If you feel uncomfortable about reducing your goal, ask yourself what's the worst thing that can happen if you halve the goal or double the duration. Chances are, the real reason behind your ambitious goal is your perfectionist streak telling you to do everything *now* and to do it perfectly.

KEY QUOTES

"Perfectionism magnifies your mistakes and minimizes your progress."

"Goals are a marathon, not a sprint."

"Perfectionism will tell you it's now or never, forever obsessed with the idea that if you don't finish it now, you never will."

Choose What To Drop

Most of us accept at some level that it's impossible to do *everything*, much less to do everything *well*. Yet, the perfectionist in us says that we should do *more*. We feel ashamed when we don't do what we're "supposed" to do—to have an amazing career, spend loads of time with the kids, keep the house and lawn flawlessly clean and tidy, have a colorful social life, a wide range of hobbies and still have time to exercise and rest.

Instead of trying to juggle everything, then feeling like a failure when you can't, it's better to decide in advance what you'll ace in and what you'll allow yourself to suck at. Deliberately choose the goals to focus on and the goals to give up. For example, are you willing to be clueless about the latest TV programs, have fewer likes on social media, and have one of the sloppiest lawns in the neighborhood? By allowing yourself to drop the balls on things of lower priority, you free yourself from the shame of not living up to expectations in those areas.

In some areas, you may need a system or strategy in order to reduce your time/focus and still stay effective.

- *For example*, Acuff examined his daily emails and discovered that only a small number required a response within 24-48 hours. He sets up his emails such that he can check them only a few times a week while his assistant handles the bulk of the responses. To reduce the temptation to constantly check his emails, he moved the email app icon to a less accessible part of his phone.

- List down your daily activities and label/code them, e.g. use green for items that'd move you toward your goals and red for those that will distract you from your goals. *Progressively drop 3 items* from this list. You can keep changing the list as your priorities shift.

Learn to say No. It can be extremely hard to say no to your friends or when someone asks for a favor. You can't please everyone if you want to achieve your important goals. You may even need to temporarily pause certain relationships, e.g. stop hanging out for your drinking buddies every week until you've finished your project. If your friends will walk away just because of that, they're probably not worth your time to begin with.

KEY QUOTES

"More than likely, you've spent most of your life choosing to do more than is possible and beating yourself up for not being able to keep up."

"Choose what to bomb and succeed at a goal that matters."

"In order for me to go all in on things that matter, I had to choose to suck at a few that don't."

"Just say no. No long explanation. No apology. No justification. No."

If you can't stop something totally, then simplify it. For example, whenever you have a major deadline round the corner, replace your home-cooked meals with simpler meals or food deliveries.

Motivate Yourself and Have Fun!

Perfectionism says that if a goal is worthwhile, then it must be difficult and painful. That's simply not true. It's equally untrue that if something is fun, it's not "real" work.

In fact, the opposite is true. You're more likely to succeed with fun goals because you'll *want* to take action and are more likely to perform better.

- Each time you finish a goal, you should (i) feel a sense of *satisfaction* and (ii) see an *improvement in performance*, both of which will motivate you to keep going. Participants of Acuff's 30-day program who chose a potentially-satisfying goal reported a 31% higher level of satisfaction. Those who chose something they enjoyed saw a 46% increase in performance success.

- This principle is not about choosing something fun and easy; it's about *finding ways to make your goal fun*. You'll still need to put in deliberate work and effort to achieve results. Ask yourself: "How could I make this goal more enjoyable?" For example, if you enjoy football but hate running, then play more football as part of your weight-loss program.

- Remember: the definition of "fun" is totally subjective. Just *do what works for you*, even if it appears strange or crazy to others.

There are 2 key sources of motivation: rewards (i.e. being driven by positive outcomes you desire) and fears (i.e. being driven by negative outcomes you want to avoid).

- To significantly increase your chances of success, make it fun to achieve your goals and painful if you don't: (i) know the fears and desires that drive you, and (ii) build them into your goals and activities wherever possible.

- For example, if you're motivated by rewards and love music, then indulge in a concert or buy yourself a musical gadget

KEY QUOTES

"Perfectionism and fun are like oil and water. They don't mix. Perfectionism thinks fun is a waste of time and holds no value."

"Fun not only counts, but it's necessary if you want to beat perfectionism and get to the finish."

"Fun is supposed to be personal and often that means it's weird."

"Pick which form of motivation you need the most and then add it to as many parts of the project as possible."

when you achieve a goal. If you're motivated by fear of criticism, then force yourself to announce publicly if you miss your goal, or do something you detest as a punishment.

Remove Excuses and Self-Made Obstacles

When you try to focus on a goal, you're likely to find yourself facing these 2 hurdles:

- "*Hiding places*" are the safe and easy things you busy yourself with to avoid doing what you should be doing; and
- "*Noble obstacles*" are legit-sounding reasons for not finishing what you started.

Get out of your hiding places. To achieve your goal, you may need to perform difficult tasks. This triggers your fear of failure or imperfection, so you end up hiding behind other activities like checking your emails or organizing your files. You *appear* to be busy but are actually unproductive.

- *Identify your hiding places* using 3 questions:

(i) Are you doing this activity by chance or design? The things you do on a difficult project will always happen by design, not by accident. If you find yourself doing something by chance or habit, you're probably escaping from the real work you should be doing.

(ii) Can you explain clearly and succinctly how the work creates value and directly contributes to your goal? If not, you're probably just creating excuses for what you're doing.

(iii) Will others agree that you're working on the right things? Get external feedback by asking someone you trust if what you're doing is truly vital for your goals.

Make a list of your hiding places (e.g. watching TV, surfing the internet, checking emails). Deliberately redirect your time, energy and resources away from those activities to the ones that truly matter.

KEY QUOTES

"The more fun you add to your goal, be it in the form of fear or reward, the more likely you'll actually finish."

"Hiding places are tricky... They make you feel like you're doing well when in reality you're not getting anywhere on your most important projects."

"If you ever have to do a complicated, multistep explanation to say why what you're doing is valuable, it probably isn't."

"'What's next' will always look more interesting than 'what's now'."

- *Turn your distractions into motivators*:

  (i) New ideas and opportunities will always seem more exciting than finishing an existing project. When a thrilling new idea comes to mind, don't fight it. Instead, park it aside and explore it once you finish your current project.

  (ii) Each time you feel tempted to return to a hiding place, make it conditional upon completing your existing project, e.g. you can have a movie night or a full day of TV once you complete your goal.

Get rid of the Noble Obstacles. Learn to recognize these 2 types of excuses for not finishing your goal:

- "*I can't do X until Y happens*". Have you ever told yourself that you can't do something until certain conditions are met? Perhaps you can't develop your business plan until you've done detailed research on 10 different businesses, or you can't start on your book until you've picked the perfect title. By making your goal unnecessarily complex, you create an excuse not to finish it. Each time you hear "until" in your sentence, pause and ask if the condition is truly necessary.

- "*If I do this, then I'm a bad person*." Have you ever abandoned a goal because you think it'll make you a bad person? Such "if-then" reasons could range from "If I start a business I'll have no time for my family" to "If I eat only healthy organic food then I'll end up spending a lot of money." Such reasons are flawed because you're only presenting 2 extreme options with no alternatives in between.

Perfectionists tend to complicate things unnecessarily while finishers keep things simple. Keep asking how you can make your goals easier and simpler, e.g. wear your sportswear to bed so you can work out early in the morning, or do up a priority list the night before so you can start work first thing in the morning.

Overcome your Hidden Rules

Most of us have been brought up with certain rules and limiting beliefs that're so deeply embedded in our subconscious that we aren't even aware of them.

KEY QUOTES

"Line your finish line with the dream goals you're currently using as hiding places and then watch how fast you'll run toward it."

"At the heart of it, a noble obstacle is an attempt to make your goal harder than it has to be so you don't have to finish, but can still look respectable."

"If you want it done, aim for simple."

- *Become aware of your hidden rules*. For example, you may be making things hard for yourself because you believe that anything worth achieving won't come easily. Or, you may feel guilty about becoming rich because you've been taught that money is the root of all evil.

- If you find yourself in a *lose-lose situation*, chances are you're bogged down by some limiting beliefs or hidden rules, such that you'll feel like a failure if you don't achieve your goals, yet you'll feel guilty if you do.

Overcome your limiting beliefs with 3 key steps:

- Use these 4 questions to *identify the gaps*:

  (i) *"Do I really like doing this?"* If you don't enjoy what you're doing, the first step is to acknowledge it.

  (ii) *"What's my real goal?"* If your current goal no longer excites you, step back and examine why. A true end-goal can always be achieved in many different ways. For example, you may have been doggedly pursuing the goal of making your first million dollars, when your true desire is to earn enough to have a healthy, happy lifestyle. With this realization, you can free yourself up to explore better ways of building your desired lifestyle and income stream. Keep returning to this question to ensure you're on-track.

  (iii) *"Am I using an approach that's aligned with who I am?"* You'd get the most from your journey when you play to your strengths. If you're feeling weary and demotivated, chances are you have the wrong goal or approach.

  (iv) *"Is it time for me to quit?"* It's a myth that winners don't quit. In reality, you won't know if something is for you until you've tried it. You won't know if you like yoga until you've tried a few sessions, and you won't know what it takes to start your own F&B business until you've developed an initial business plan. There's no shame in quitting a particular path if you realize the end-destination is not where you want to go.

KEY QUOTES

"You know you're dealing with a cuckoo when either outcome makes you unhappy."

"Make sure that what you're chasing is actually what you want to catch."

"If you pursue the right goal in the wrong way, you still end up in the wrong place."

"Finishing a goal you absolutely hate isn't a win."

- *Crush the hidden rules* by asking 2 questions for each rule:

  (i) *"What does this mean?"* If your hidden rule says that "money is bad", then does it mean that "not having money is good"? When you think deeply about each of the hidden rules, you'd quickly realize how ridiculous most of them are.

  (ii) *"Who says so?"* In most cases, you'd realize you don't even know where the rules came from nor the basis upon which they're built.

- *Replace each old rule* with a healthy, constructive, reality-based rule. For example, you may replace the rule "Money is bad" with the rule "Money in itself isn't good or bad; it's what I choose to do with it that matters."

Your hidden rules and beliefs define how you feel about your goals, and such emotions can overrule logic to sabotage your progress. Get rid of these inner obstacles so you can truly move ahead. Remember: there's no need to do everything by yourself. If you lack info or experience in a certain area, it's perfectly fine to seek help from others who have succeeded before you.

KEY QUOTES

"Your goal will be a whole lot easier if you're not listening to secret rules."

"If you don't have any information of your own, someone else does and will give it to you if you ask the right way."

Use Data to Stay On-Track

We tend to remember our mistakes and failures more than our successes and small wins. Mid-way through your goals, the perfectionist in you may start telling you to quit because you're going nowhere, and blow your fears and frustrations out of proportion. Data is crucial in such instances to help you see your progress objectively.

"Perfectionism screams failure and hides progress."

Ideally, we want to achieve consistent or even compounded results. However, in reality, we're likely to experience cycles of ups and downs.

"Without data, progress virtually disappears."

- Having multiple points of data helps you to see when you're in a momentary dip, shows your overall progress and ensures you're on the right path to the finish line. It helps you to make *informed decisions* rather than guesses. For example, you can get a more comprehensive view of your weight-loss progress if you record your clothes sizes, BMI, food intake, and the frequency, type, duration and intensity of your exercises.

"If you don't review the progress, you can't make adjustments. You can't learn from mistakes. You can't get better, and ultimately, you can't finish."

To find time for a crucial project, you can use a time-log to track your time-use and find pockets of unproductive time to free up.

- Data also allows you to review your progress based on actual facts, so you can systematically *learn and refine your approach* to arrive at your end-goal faster.

Even if you agree that data is useful, you may subconsciously prefer to ignore the truth than to face up to it. Most people would rather deny that they're overspending, wasting time on unproductive activities, or cheating on their diet program. Don't stay in denial until you land up in a crisis without a proper plan of action.

Measure forward and backward to learn and celebrate small wins.

- When you're in the midst of a goal, don't just look ahead as the finish line may seem very far away. Make it a point to *also look backward* to remember how far you've come from the starting line.

- Start by *identifying 3 key measures* for your goal, e.g. # hours invested in your goal, income generated, # products sold, # email subscribers, # pounds or inches lost, # steps taken, amount of debt paid off, # words or pages written, # books read.

Review past experiences. Use the lessons to refine your goal and approach so you improve your chances of future success.

- *Consider questions like*:

(i) Have you attempted a similar goal before? If so, what happened?

(ii) What and who was involved in the goal (e.g. people, time, money, resources)?

(iii) Were there specific deadlines, rewards and consequences? How did each of these elements motivate/demotivate you?

(iv) If you didn't finish your goals, why?

(v) What can you do differently this time to improve your outcomes?

KEY QUOTES

"Data kills denial, which prevents disaster. But only if you'll listen to it."

"If you don't learn what makes you work best and repeat it, you'll never get better."

- Such reviews help you to *develop self-awareness*, e.g. identify the conditions under which you're the most effective and productive, so you can apply these success factors in more areas of your life.

If you're unhappy with your progress, consider 3 options:

- *Adjust your goal* e.g. halving it;
- *Adjust your timeline*, e.g. increasing or doubling your timeframe for completion; and/or
- *Adjust your actions*, e.g. increasing your level of activity or redirecting your energy to higher-impact activities.

Finish Strong

Theoretically, it should be easier to drive action when you're closer to the finish line. Yet, perfectionism can get in the way by triggering 3 fears of finishing:

- *Fear of what comes next*, e.g. once you finish writing your book, you'll have to face the readers' response and critique. Stop worrying about the next step—you can deal with it when you get there.
- *Fear of an imperfect outcome*, e.g. what if making your first million isn't as satisfying as you've imagined? Indeed, life tends to turn out differently from our expectations. Learn to welcome unexpected surprises rather than insist on a fixed outcome.
- *Fear of uncertainty*: what should you do after you've achieved your goal? If you've been working single-mindedly on your current goal, you may worry about what's next. It's ok to finish your current goal without knowing your next goal; just treat the finish line as an opportunity for a brand new start.

If you're dragging your feet to the finish-line:

- Ask yourself, "*What am I getting out of not finishing?*" For example, you may be avoiding the risk of failure or trying not to raise others' expectations by finishing ahead of time. Unless your reasons for finishing are greater than your reasons for not finishing, you won't succeed.

KEY QUOTES

"Reviewing your past is one of the best ways to understand who you really are and how you'll work best on a goal."

"We believe the finish line is a magnet pulling us toward it...but usually it's the polar opposite, pushing against you."

"You can't have perfect, but what you get is even better. You get a surprise."

"Don't let the fear of what's next steal the joy of finishing what's now."

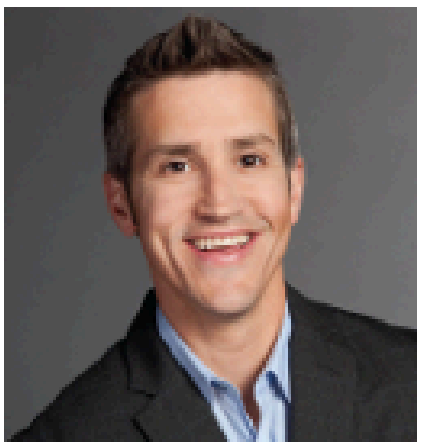
"We need friends during the entire goal, but they are most critical at the finish line."

- *Get support* from trusted friends or family members who believe in you and can encourage you in this final push.

Other Details in the Book to Look out For

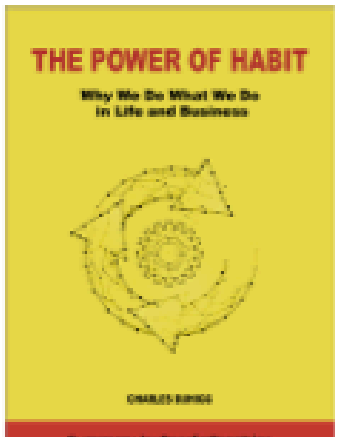
This is a lively, easy-to-read book full of humorous examples and anecdotes. At the end of each chapter, Acuff also summarizes the action steps you can take for each of the success principles above. For more details, please visit https://acuff.me/

About the Author



Jon Acuff is an American author and speaker. He has published several books, written for several major media companies (including Reader's Digest, Fast Company, The Harvard Business Review and Time Magazine), and also runs the blog StuffChristiansLike.net. Acuff is one of INC's Top 100 Leadership Speakers.

KEY QUOTES



The Power of Habit

Why We Do What we Do
in Life and Business

CHARLES DUHIGG

The Big "So What"

Habits can be used to create powerful outcomes for individuals, organizations and societies, including losing weight, raising exceptional children, becoming more productive, transforming corporate culture, influencing customer buying habits, and starting social movements. Written by Pulitzer prize winning reporter, Charles Duhigg, this book presents the science behind how habits are formed, and how we can change and rebuild them.

Introduction

Habits are automatic responses that often operate without our conscious awareness, and can be extremely hard to change. By understanding how habits are formed and how they work, we can decide if, and how, to change them. The book is based on hundreds of studies, interviews and organizational research, and Duhigg zooms in on several case studies in vivid detail. In this summary, we will outline the science of habits at 3 levels - individuals, companies and societies - before sharing the 4-step framework to identify and change habits.

Part 1: The Habits of Individuals

How Habits Work

The Habit Loop summarizes how habits work. There are 3 main components:

KEY QUOTES

"Habits can be changed, if we understand how they work."

"We now know why habits emerge, how they change, and the science behind their mechanics. We know how to break them into parts and rebuild them to our specifications."

"Transforming a habit isn't necessarily easy or quick. It isn't always simple. But it is possible. And now we understand how."

"Simply understanding how habits work – learning the structure of the habit loop – makes them easier to control."

Cue: This is a trigger (e.g. a TV commercial, a bar of chocolates, an emotion, or a sequence of thoughts) that tells your brain to go into automatic mode, using a particular habit.

Routine: The automatic response (e.g. feeling irritated, getting a glass of wine) can be mental, emotional, or physical.

Reward: The routine can produce physical sensations or positive feelings (e.g. pride, relaxation), which determine whether you'll remember this feedback loop in the future.

Once a habit is formed, your default routine will kick in - without conscious thought - each time a cue is triggered. For example, the feeling of stress may cue a smoker to automatically reach for a cigarette, to seek the reward of temporary relaxation.

Our brain converts routines to habits as a way to save effort.

Our brain is like an onion, with layers of cells. Complex thinking (e.g. analysis, inventions) happen in the outer layers, primal behaviours (e.g. breathing, swallowing) are controlled by the inner area near the brain stem, while habits are stored in the basal ganglia near the centre of the brain. In short, our habits are created and operated in a different part of the brain from memories and other bodily functions. Our habits run on "auto-pilot", and we an act without consciously thinking why we do so.

Through the habit loop, our brains learn which cues and routines can bring us desired rewards, and convert them into habits. Lab experiments show that rats placed in a new maze have initially-heightened mental activities. They take in new scents, sounds and sights as they learn to navigate the maze. Over time, these mental activities decrease and the rats navigate the maze automatically. This is the same

KEY QUOTES

"The cue, in addition to triggering a routine, must also trigger a craving for the reward to come."

"(Habits)...shape our lives far more than we realize – they are so strong, in fact, that they cause our brains to cling to them at the exclusion of all else, including common sense."

"When a habit emerges, the brain stops fully participating in decision making. It stops working so hard, or diverts focus to other tasks. So unless you deliberately fight a habit – unless you fine new routines – the pattern will unfold automatically."

"Habits...emerge because the brain is constantly looking for ways to save effort. Left to its own devices, the brain will try to make almost any routine into a habit, because habits allow our mind to ramp down more often."

reason why we can automatically and effortlessly turn off the alarm clock in the morning, put toothpaste on our toothbrush, or tie our shoelaces.

Cravings and How Habits are Formed

Craving is a crucial element of habits formation. As the cue-routine-reward loop becomes more automatic, we start to anticipate and crave the rewards. Our craving powers the habit loop to eventually seal in the habit.

Pepsodent. In early 20th century America, hardly anyone brushed their teeth. Claude Hopkins managed to instil the habit of brushing teeth, making Pepsodent toothpaste a household brand. His ads read, "Just run your tongue across your teeth. You'll feel a film – that's what makes your teeth look 'off color' and invites decay." He used the "film" as a cue for people to brush their teeth with Pepsodent, with the promise of clean teeth and beautiful white smiles. The truth is, the "film" is a natural membrane, and toothpaste doesn't remove it. However, the cue was visible and universal, people wanted the reward (beautiful teeth), and they started craving for the fresh, tingling after-sensation of using Pepsodent. The teeth felt clean, and this sent a signal that the product was working.

Febreze. P&G initially struggled to launch Febreze, a spray that removed odours. Sales went through the roof after they added a fragrance and repositioned it as the finishing touch to one's daily household cleaning routine. Once people tried the product, they began to crave the clean smell from the finishing spray of Febreze – it made their homes smell clean the cleaning routine felt complete.

Transforming habits

Habits can never truly be removed. You can only **replace and rebuild** it, by changing the routine while keeping the cue and reward constant. This golden rule must be supported by one's **belief** that the habit can be changed permanently

Changing a **cue** can avoid triggering the habit loop, but it does not break the habit. The habit lies dormant, and once the same cue surfaces, the habit will kick in again. That's why someone who has "quit" drinking, smoking or

KEY QUOTES

"Cravings are what drive habits. And figuring out how to spark a craving makes creating new habit easier."

"Once you break a habit into its components you can fiddle with the gears."

"We might not remember the experiences that create our habits, but once they are lodged without our brains they influence how we act – often without our realization."

"The problem is that your brain can't tell the difference between bad and good habits, and so if you have a bad one, it's always lurking there, waiting for the right cues and rewards."

"By learning to observe the cues and rewards... we can change the routines."

"You can never truly extinguish bad habits. Rather, to change a habit, you must keep the old cue, and deliver the old reward, but insert a new routine."

"If we keep the same cue and the same reward, a new routine can be inserted."

gambling may resume the habit when faced with stressful circumstances.

Even if **rewards** are removed, or even replaced with negative outcomes, we'll have the same automatic reaction to the cues. That's why gamblers continue to gamble even when they've lost everything.

Hence, the only way to change a habit is to intentionally break it down and rebuild it – Replace it with a new **routine** that will satisfy the same cravings, then find a support group or community to help you build your **belief** and follow through.

Here are some examples of the Golden Rule at work:

(i) People often use alcohol to forget a worry. At Alcoholics Anonymous (AA), each time a member feels worried or stressed, they talk to their sponsor or join a group gathering, to achieve the same relief via non-alcoholic means. The AA community also provides support and belief to kick the habit.

(ii) Chronic nail-biter Mandy started by using an index card to track her nail-biting urges, and realized the cue was a tingling sensation in her fingers. To break the habit, she developed alternative responses (e.g. rubbing her arms or rapping her knuckles) each time the cue surfaced. That way, she could achieve a similar physical stimulation without biting her nails.

To start making changes, focus on **Keystone Habits** - these are the habits that, once formed, will disrupt and/or influence other habits.

- People who exercise tend to smoke less, eat healthier foods, and develop other positive habits. Food journaling (writing down what you they eat) helps people to develop more conscious eating habits. A daily gathering with like-minded friends helps someone to maintain focus on a goal and overcome obstacles.
- **Small wins** are a crucial element of keystone habits. They boost morale, build belief, and help us to decide where to focus our efforts.

KEY QUOTES

"Belief was the ingredient that made a reworked habit loop into a permanent behaviour."

"The precise mechanisms of belief are still little understood... But we do know that for habits to permanently change, people must believe that change is feasible"

"Keystone habits say that success doesn't depend on getting every single thing right, but instead relies on identifying a few key priorities and fashioning them into powerful levers."

"The habits that matter most are the ones that, when they start to shift, dislodge and remake other patterns."

"Small wins have enormous power, an influence disproportionate to the accomplishments of the victories themselves."

- Under the guidance of coach Bowman, multiple Olympic gold medallist ***Michael Phelps*** followed a rigorous routine that ran like clockwork. By trying a range of techniques until they found stuff that worked, Phelps and Bowman focused on small wins, made them into mental triggers, and built routines and habits around everything that Phelps did- from what time he woke up, to what he ate and how he trained.

- Phelps' keystone habit was to "watch the videotape" - his mental visualization of the perfect race - before he slept and when he woke up. By doing this each day, Phelps memorized every detail of the pool, and mentally perfected his strokes from start to finish. During a particular race, he was blinded from water leaking into his goggles; yet, by using the video in his head, he won the race and even broke a World Record.

KEY QUOTES

"Small wins fuel transformative changes by leveraging tiny advantages into patterns that convince people that bigger achievements are within reach."

Part 2: The Habits of Successful Organiztions

Keystone Habits in Organizations

Routines are important in any organization - they capture the unwritten rules of how things work, how roles are carved out, and how to "survive" and succeed in an organization. These are typically what the employee handbook will not address, and form the unconscious, automatic "habits" of organizations. Like individual habits, organizational habits can be created by accident or by design, using the same ingredients of Keystone Habits and Small Wins.

In 1987, Paul O'Neill became the new CEO of Fortune 500 manufacturer Alcoa. Instead of making typical promises with vague business buzzwords, he announced his goal to make Alcoa the safest company in America, with zero workplace injuries. In 11 years, O'Neill transformed Alcoa from having about 1 accident per week per plant, to a worker injury rate that was 1/12 of the national average. In the same period, Alcoa's income grew 5 times and market capitalization increased by $27 billion.

O'Neill had zoomed in on safety as a keystone habit and an indicator of habitual change. He made sure that everything centred around safety, e.g. hiring and firing decisions, promotions, 24 hour incident reports. In order to achieve the stringent safety standards, teams had to re-examine their processes, managers had their ears on the

"There are no organizations without institutional habits. There are only places where they are deliberately designed, and places where they are created without forethought."

"Cultures grow out of the keystone habits in every organization, whether leaders are aware of them or not."

"You can't order people to change…So I decided I was going to start by focusing on one thing. If I could start disrupting the habits around one thing, it would spread throughout the entire company."
- Paul O'Neill, ex-Alcoa CEO

"Some habits…matter more than others in remaking businesses and lives. These are 'keystone habits', and they can influence how people work eat, play, live, spend and communicate."

ground and invited bottom-up suggestions... Eventually, these habits rippled to other aspects of businesses, creating greater efficiency, quality, learning and flexibility, and profitability.

Making Willpower Automatic

All of us have a limited supply of willpower. In a study, a group of hungry students were given 2 bowls – one containing chocolate chip cookies, and another containing radishes. Half were told to eat only the cookies, and the other half were told to eat only the radishes. The students were subsequently given an impossible puzzle to complete – those who ate only radishes gave up much faster than those who ate the cookies, because they'd already depleted much of their willpower to resist the cookies.

Likewise, handling difficult situations like angry customers and long queues can sap employees of their energy and discipline. Duhigg shares how Starbucks converts willpower and self-discipline into an organizational habit. For example, Starbucks trains its staff to use the "LATTE" method of handling angry customers – Listen to customers, Acknowledge their complaint, Take action to solve the problem, Thank them, then Explain the reason for the problem. By defining the desired behaviour(s) ahead of time, then following that routine each time the situation arises, you can convert ideal routines into relatively effortless organizational habits.

Besides having well-defined instructional manuals, you also need to give people a sense of sense of control or autonomy, so they willingly adopt these habits.

Using Crises to Build Habits

Habits are so inter-related and deeply entrenched in an organization that they can be hard to isolate and to break. Great leaders understand how to use crises to make fundamental changes.

In 1987, a major fire at London's King's Cross station killed 31 people. The fire hazard had been known for years, yet no action was taken. Many opportunities to contain the fire on the day of the incident were ignored, due to the organization's culture for people to keep to their own roles. Desmond Fennel, special investigator for the incident, realized that things would not change without due pressure. Hence, he deliberately called for public hearings for 91 days, and released a 250-page report detailing the complacency and inadequacies of the organization. The resulting public outrage prompted an organizational revamp and bought about the necessary legislative changes.

KEY QUOTES

"Willpower is the single most important keystone habit for individual success."

"The best way to strengthen willpower and give students a leg up, studies indicate, is to make it into a habit."

"Giving employees a sense of control improved how much self-discipline they brought to their jobs."

"Sometimes, in the heat of a crisis, the right habit emerge."

"Crises are so valuable, in fact, that sometimes it's worth stirring up a sense of looming catastrophe rather than letting it die down."

"Good leaders seize crises to remake organizational habits."

Shaping Consumer Habits

Generally, consumers' buying habits are better predictors of purchases than their demographics and intentions. However, everyone's buying habits is unique. To shape customer habits, the key is to sandwich a new habit you wish to nurture, between existing habits or familiar routines.

Retail giant, **Target,** managed to deduce which of their customerswere pregnant, by studying their purchasing patterns. However, when they mailed coupon-booklets for baby items to these customers, the gesture was not well-received. The customers did not expect Target to know they were pregnant, and didn't respond well to the coupons. Target decided to change its approach - it intentionally sandwiched coupons for diapers and maternity clothes between unrelated ads for lawn mowers and wine glasses. This time, the customers assumed these coupons were sent to everyone, and willingly used them.

Radio stations also use a similar technique to introduce and popularize new songs. New releases are sandwiched the other familiar, popular songs, until listeners become familiar with them and the songs become new hits.

Part 3: The Habits of Societies

Habits are a big part of how social movements start, spread and become lasting social change. In this segment, we'll explain the 3 essential parts of a social movement – the habits of friendship, the habits of communities, and social habits – using the example of the American civil rights movement.

In pre-civil rights America, seats on buses were "segmented", with thefirst 4 rows reserved for white passengers by law. On 1 Dec 1955, Rosa Parks refused to give up her seat to a white man. She was seated in the row behind the white section, where either race could sit, yet she was the arrested by the police and put in jail.

Although such incidents had happened many times before, Rosa Parks' incident triggered the famous Montgomery boycott, which became the focal point of the civil rights campaign that changedAmerican history. In the book, Duhigg details the sequence of events. Here's an outline:

KEY QUOTES

"Even though everyone relied on habits to guide their purchases, each person's habits were different... The habits were unique to each person."

"Whether selling a new song a new food, or a new crib, the lesson is the same: If you dress a new something in old habits, it's easier for the public to accept it."

"Movements don't emerge because everyone suddenly decides to face the same direction at once. They rely on social patterns that begin as the habits of friendship, grow through the habits of communities, and are sustained by new habits that change participants' sense of self."

The Habit of Friendship is our natural inclination to help people we like or respect. It's crucial for *starting* social movements. Parks was unique because she was well-liked and well-connected in many social networks, across different social and economic strata. She had friends from diverse backgrounds, from farmers to professors. When news of her arrest got out, one of her friends called for a boycott of the city buses. The news spread, and everyone who knew and liked Park wanted to support her.

The Habits of Communities is crucial for *growing* social movements. Parks' personal ties would not have been enough to drive the movement. It spread due to the "power of weak ties", via people who didn't know Parks personally, but shared common acquaintances or social networks. Being a part of such communities created peer pressures and social expectations; people felt obligated to participate and conform, even if they didn't really want to. This allowed the movement to reach people beyond Parks' personal network, generating critical mass for a successful boycott. Dr Martin Luther King Jr. also came into the picture when his church was used as a boycott meeting venue.

Social habits are what *sustain* a movement; long-term sustainable change sets in when the activities become social habits. This happens when leaders give new identity and ownership for people to continue the movement as social habits.

After 2 months, the bus boycott started to lose momentum. At this juncture, there was a bombing at Dr Martin Luther King's house, triggering fresh responses from the black community. King made a speech calling for non-violence and acceptance. This gave a new perspective on the boycotts – it was no longer just about inequality on buses, but about love and forgiveness of the attackers, with faith of eventual victory for the black community. People started to organize themselves, making their statements in nonviolent ways, and the civil rights movement entered another phase.

KEY QUOTES

"There's a natural instinct embedded in friendship, a sympathy that makes us willing to fight for someone we like when they are treated unjustly."

"People have no problem ignoring strangers' injuries, but when a friend is insulted, our sense of outrage is enough to overcome the inertia that usually makes protests hard to organize."

"Weak-tie acquaintances... give us access to social networks where we don't otherwise belong."

"When the strong ties of friendship and the weak ties of peer pressure merge, they create incredible momentum. That's when widespread social change can begin."

"For an idea to grow beyond a community, it must become self-propelling. And the surest way to achieve that is to give people new habits that help them figure out where to go on their own.""

Part 4: Applying the Ideas

Habits are complex and hard to change, but change is certainly possible with the correct understanding and desire. There is no fixed way to change habits, since each person, habit and the underlying motivation are different. Hence, in each chapter of the book, Duhigg covers different examples and scenarios to illustrate possible approaches and permutations. Now, we'll outline his 4-part framework to identify and build habits.

Step 1: Identify the Routine

Start by identifying the old, negative routine what you wish to replace, such as gambling, snacking, or smoking.

Step 2: Experiment with Rewards

It's relatively harder to identify the cravings that drive our behaviours. For example, are you taking a daily "drinks-break" because you crave a can of Coke, the sugar rush, or the temporary distraction that it provides? To identify the cravings that are driving your habits, experiment with different rewards to test the outcome. Assuming you're trying to wean off the habit of drinking a can of Coke a day:

- Try replacing the Coke with an apple, a coffee, or an activity like chatting with a friend; and
- After each activity, write down the first 3 words or things that come to mind, be it an emotion, thought, or reflection. After 15 minutes, check if you still feel the urge for the Coke.

Step 3: Isolate the Cue

It is hard to identify the specific cue behind a habit because we are flooded with different stimuli and information each day. Most habitual cues fall into one of these 5 categories:

- Location: Where were you?
- Time: What time was it?
- Emotional state: What/ how were you feeling?
- Other people: Who else was around?
- Immediately preceding action: What were you doing just before the urge?

KEY QUOTES

"The problem is that there isn't one formula for changing habits. There are thousands."

"Change might not be fast and it isn't always easy. Bu with time and effort, almost any habit can be reshaped."

"Individuals and habits are all different, and so the specifics of diagnosing and changing the patterns in our lives differ from person to person and behaviour to behaviour... What's more, each person's habits are driven by different cravings."

"By experimenting with different rewards, you can isolate what you are actually craving, which is essential in redesigning the habit."

"To modify a habit, you must decide to change it... You must consciously accept the hard work of identifying the cues and rewards that drive the habit's routines, and find alternatives. You must know you have control and be self-conscious enough to use it."

Jot down your answers to these questions each time the routine occurs, to identify a recurring pattern in the cues.

Step 4: Have a Plan

Steps 1-3 allow you to define your habit loop, e.g. you may realize that your Coke-drinking habit occurs every afternoon, and it's actually a craving to take a break from work and socialize. You can then draw up a plan, e.g. Set an alarm at 4pm everyday to remind yourself to walk to a friend's desk and talk for 10 minutes.

Other Details in the Book to Look Out For

In each chapter of the book, Duhigg covers examples and scenarios in vivid detail to help us see the cues, routines, rewards involved in habits formation and change. Besides the examples outlined in this summary, the book covers details of lab experiments and brain research, case studies on sports, hospitals, gambling, sleep-walking etc.

For more details, do get a copy of the book, or visit the website www.thepowerofhabit.com.

About the Author

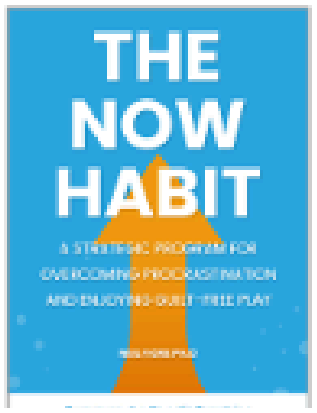
Charles Duhigg (born 1974) is an American journalist and non-fiction author. He is a Pulitzer prize winning reporter for The New York Times, and is best known for his books on habits and productivity. He graduated from Yale University, Harvard Business School, and worked with the New York Times as an investigative business reporter.

He has received many accolades including the George Polk Award, Heywood Broun Award, National Journalism Award, and the Pulitzer Prize for Explanatory Reporting.

KEY QUOTES

"Once you understand that habits can be rebuilt, the power of habit becomes easier to grasp, and the only option left is to get to work."

"A habit is a formula our brain automatically follows... To re-engineer that formula, we need to begin making choices again."



THE NOW HABIT

A Strategic Program for Overcoming
Procrastination and Enjoying Guilt-Free Play

NEIL A. FIORE PH.D

The Big "So What"

All of us have tasks or goals that we tend to delay or escape from. Contrary to common belief, procrastination is *not* a character flaw or a problem in itself. It is a coping mechanism can be unlearned and reprogrammed. This book presents strategies and tools that can help anyone to overcome procrastination, improve your quality of work, *and* free up guilt-free time to play and relax.

Introduction

Most habitual procrastinators are aware of their tendencies, but are unable to break free from them. Common advice to "work harder", "just do it" or "get organized" simply don't work because they fail to address the root of the issue:

- Procrastination is a *coping mechanism* that we use to deal with the stress and anxiety associated with certain tasks and our self-image. The only way to eliminate it is to tackle the underlying fears and self-condemnation.

- The truth is, no one is an absolute procrastinator. There are always activities that we willingly dive into with enthusiasm. The Now Habit is built on positive psychology and the Maslow hierarchy of needs. It's based on the belief that humans have a natural desire to do well. By harnessing that *innate drive* and overcoming our fears or insecurities, we can start to take action *now*.

- With time, you'll not only enjoy greater productivity, but also free yourself from the guilt and shame of procrastination, feel more motivated, improve your self-

KEY QUOTES

"The skills and strategies of the Now Habit program will let you think of yourself as a producer, feel like a producer, and act like a producer."

"Procrastination is a mechanism for coping with the anxiety associated with starting or completing any task or decision."

"The healthy individual has an appetite for fruitful activity and for a high quality of life."
—George Bernard Shaw

esteem, and have more time for guilt-free enjoyment while improving the quality of your work. You will think, feel, and act like a *producer, not a procrastinator*.

This summary is organized into 2 parts: we'll start by explaining the whys and hows of procrastination, before zooming in on various powerful tools that you can use to overcome procrastination and unlock your productivity.

Why and How We Procrastinate

Why we Procrastinate

Procrastination is not a character defect or a sign that we're lazy. Many of us have been taught from young not to let praise get to our heads, and never to rest on our laurels. We feel guilty when we're playing or relaxing when we "should" be working harder and improving ourselves. We procrastinate to cope with underlying issues like perfectionism, low self-esteem, fear of failure/success, and negative feelings about ourselves or our work.

Habits are learned when an activity is instantly followed by a reward. Procrastination is rewarding because it provides temporary relief from our stress and anxiety. We feel even more justified if the task eventually takes care of itself or is handled by someone/something else. In particular, we use procrastination to achieve 3 things:

- Express *resentment or resistance* toward authorities and our sense of powerlessness. We use procrastination to indirectly rebel against or sabotage our "oppressors".
- Avoid the *fear of failure or disappointment*, which often comes from perfectionism and self-criticism.
- Avoid our *fear of success*. We hold back our best effort due to:

  (i) The *conflict* between our desire for advancement and our loved ones' demands for our time/attention.

KEY QUOTES

"Generally we are taught that procrastination is the problem, rather than a symptom of other problems."

"Our real distress comes from the constant anxiety of delaying, from guilt about the inferior quality of projects completed at the last minute, and from deep regrets about life's missed opportunities."

"People don't procrastinate just to be ornery or because they're irrational. They procrastinate because it makes sense, given how vulnerable they feel to criticism, failure, and their own perfectionism."

(ii) The *disincentives* associated with the end of a project, e.g. looking for a new job after graduation.

(iii) Our *fear of eventual failure*. Each time we succeed, we're presented with an even-higher bar. The higher we go, the higher the standards and competition become. So, it seems like a matter of time before we'll fail.

People who procrastinate habitually get stuck in a vicious cycle. They procrastinate because of certain fears or anxiety. The more they procrastinate, the more anxious they feel, and the more they criticize themselves and lose confidence. This leads to an even stronger urge to procrastinate. The cycle continues until they label themselves as a procrastinator, and can't even enjoy their leisure time without guilt.

How we Procrastinate

Each of us procrastinates differently. Over the next week, observe your own tendencies and identify your procrastination patterns so you can break them.

Know how you spend your time. Divide your day into 3-4 segments (e.g. morning, afternoon, evening), and record the time spent for every activity. You can also label your work activities with "A" (most important), "B" (important) or "C" (least important). After a few days, you'll have a good idea of how you typically spend your time, including how much time is spent on email/phone, working, eating, socializing etc. Chances are, the bulk of your time is not used for important or high-priority work.

Create a procrastination log. Allow yourself to procrastinate as usual, then take note of when/how you procrastinate without judging yourself. Whenever you put something off, write down these details:

- *When and what*: Record the date and time, the activity involved and its priority level. You may start to notice that you tend to procrastinate more during certain days/ time, or for certain type of tasks (e.g. detailed tasks like tax filing, or "big" projects like an annual plan).

KEY QUOTES

"[Others] can never make you into a victim or a procrastinator. Only you can do that."

"Identifying how you go about doing anything is essential to improving your performance."

"The first major step out of procrastination is to become aware of how fear leads to your old patterns and how creating safety leads to productivity."

- *Why and how*: Write down your thoughts and feelings, the justifications you give yourself, how you try to avoid the task, and how you feel after that. These help you to identify the attitudes, beliefs, self-talk and responses associated with certain tasks.

Sample Procrastination Log					
Date & Time	Activity & Priority	Thoughts & Feelings	Justification	Attempted solution	Resultant Thoughts & Feelings
15/12 10am	Prepare annual plan, A	There's so much to cover	Must think about it	Surfed the internet	Guilty and stressed
16/12 3.20pm	Fix the shelf, B	I should but I don't want to	Nice weather	Go for a walk	Relaxed from the walk

Reprogram your Habits: From Procrastinator to Producer

The Now Habit strategy comes with several powerful tools you can use to overcome procrastination and reprogram yourself to be a producer.

Create a Psychological Safety Net

If you were asked to walk across a wooden plank on the floor, you'd probably do it without hesitation. But if you had to walk across the same plank 200m above ground, you'll hesitate for fear of falling. Now, if there's a fire raging behind you, you'll somehow find a way to cross the plank to safety. This analogy mirrors what happens when we procrastinate: we imagine a task to be much scarier than it is, then we put it off until the situation becomes so dire that we have no choice but to do it. This creates undue stress and worsens the negative feelings associated with the work and our self-image.

The solution is to create a safety net, so crossing the plank no longer seems so dangerous. A psychological safety net can reduce the perceived threat of failure or imperfection, and help you to bounce back stronger from your mistakes.

KEY QUOTES

"The absurd lengths taken to procrastinate indicate how much pain you've trained yourself to associate with the task."

"Procrastination has been learned, and it can be unlearned. You need to develop alternative tools for coping with your fears."

- Consider *alternative options* instead of being fixated on 1 option. Develop backup plans, so that any failure won't seem like the end of the world.

- Use *positive self-talk* to remind yourself: "Whatever happens, I will survive, bounce back and find a way to carry on." Think of all the successful people who've bounced back from major setbacks in life. Create a space where you've safe from judgement and criticism, especially from yourself.

Use Positive Self-Talk

Our self-talk shapes our attitudes to determine how we think, feel, and act.

- We react negatively to words like *"I have to" or "I should"* because they're associated with pressure and unpleasant tasks.

  (i) "Have to's" bring up feelings of stress—we feel victimized and compelled to do something we don't want to do. It creates an internal conflict, since your logical mind says you must do it, but your subconscious mind rejects it. The more you struggle, the more unpleasant the task seems.

  (ii) "Should's" bring up feelings of envy or depression as we focus on the gap between reality and ideal, or feel guilty/disappointed for not doing/achieving what we "should".

- On the other hand, words like *"I choose," "I decide," or "I will"* remind us that we have a choice in what, when, where or how we do something. They focus our energy positively toward a desired outcome, so we shift from resistance to commitment. That's why people who become pregnant may suddenly improve their diet or quit smoking, even though they had failed to do so in the past.

Reprogram your attitude by replacing negative self-talk with positive ones.

KEY QUOTES

"Through a language of choice and commitment you'll learn to direct your energy toward a goal, feeling empowered rather than victimized."

- *Learn to say "no"* without guilt/shame, e.g. "No, I have other priorities", "No, I need more time to consider", "No, I don't accept these terms".

- *Replace negative messages with positive ones*:

  (i) Replace "I have to" with "I choose to."

  (ii) Replace "I must finish" with "When/where can I start?"

  (iii) Replace "This is too big" with "I can take one small step".

  (iv) Replace "I must be perfect" with "I can be perfectly human".

  (v) Replace "I have no time to play/relax" with "I must take time to play/relax".

- Switch from the mindset of a procrastinator to that of a *producer*: "I choose to start on one small imperfect step knowing I have plenty of time for play."

KEY QUOTES

Use Old Habits to Trigger New Ones

Whenever you decide not to procrastinate, you're changing your neural pathways to weaken your old habits and create/strengthen new ones. In this way, you can unlearn your habits in the same way you learned them.

Push vs pull. The push method assumes that humans are lazy and can only be motivated through threats or punishments. The pull method assumes that humans are naturally curious and will persevere with the right incentive.

- We're more likely to start working on a task if it generates *short-term rewards*. We're less motivated by a vague promise of long-term rewards, and are demotivated by immediate pain/isolation. Focus on the rewards at the end of every small milestone, e.g. you can take the whole weekend off to play if you finish your project by Friday, or can relax for the year once you hit your sales target this quarter.

Use Guilt-Free Play to Inspire Quality Work

Prioritize guilt-free play-time by scheduling it in your calendar. This simple step will inspire higher quality work because:

- It removes your fear that work will deprive you of *time for enjoyment*.
- With less time left for work, you'll feel motivated to *make every minute count*. You'll approach your work with more focus and seek to finish your tasks in less time.
- The extra exercise, relaxation and stimulation give you more *energy and inspiration*, to bring back excitement and creativity into your work, learning and problem-solving.

As a result, you break the vicious cycle of procrastination and start a positive cycle of creativity and productivity.

KEY QUOTES

"Enjoying guilt-free play is part of a cycle that will lead you to higher levels of quality, creative work."

Overcome Blocks to Action with 3 Tools

The next 3 tools help to overcome the 3 key blocks that trigger procrastination: the fear of being overwhelmed, the fear of failure, and the fear of not finishing. These blocks reinforce one another, and demolishing 1 block also weakens the others.

To tackle the fear of being overwhelmed, use Three-dimensional thinking and the Reverse Calendar:

- If you're feeling overwhelmed by the immensity of a project, remember *3 things* to ease your anxiety: (i) you don't have to start at the "right" place, (ii) you can learn as you go (instead of having to know everything now), and (iii) it's ok not to finish immediately.
- Use the *Reverse Calendar* to divide a big project into small, manageable parts with sub-deadlines over the coming days/weeks. Break this down further into bite-sized steps within your control. You now have checkpoints to allay your fear of going in the wrong direction, and know how much time you have to finish each step.

To tackle the fears of failure and imperfection, finish the work of worrying. Don't waste energy fretting about a potential problem—use the energy to develop solutions and plans to address the threat. Consider: (i) What's the worst that could happen and how likely/unlikely it is, (ii) what you can do in that scenario, (iii) how you can lessen your pain and increase your happiness even then, (iv) what alternatives you have or create, and (v) what you can do *now* to reduce the chances of the worst-case event and increase your chances of success.

To tackle the fear of not finishing, use persistent starting. Shift your focus away from the finish-line and keep asking "when can I start on the next step?" If you keep taking 1 step at a time, you *will* finish the task. Remember: preparing to start is not the same as starting, and can actually be a form of procrastination. Don't waste energy berating yourself on your slow progress or how you should've started earlier. If you find yourself making excuses not to finish (e.g. "I need more time to perfect it"), remind yourself that your work is what can be accomplished *within* the deadlines.

KEY QUOTES

"Procrastination is an ineffective way to cope with worrying because it stalls action and simply piles up more worries."

"Keep on starting, and finishing will take care of itself."

Use The Unschedule

Procrastination doesn't remove the need to get the work done. You're better off just doing it. The Unschedule helps you **get started, 30 minutes at time**. It's basically (i) a weekly calendar of your nonwork activities and (ii) a record of actual work done.

- The Unschedule combines several *behavioral and psychological principles* to help you achieve realistic timekeeping, overcome your fears, associate your work with success/rewards, do more quality work and enjoy guilt-free play time. It builds your confidence by (i) motivating you with short periods of work followed by immediate rewards, and (ii) showing a visible record of how much focused, uninterrupted work you've done daily.

Use these guidelines to start implementing your Unschedule:

- Start by filling your planner with *nonwork activities* (e.g. meals, exercise, sleeping, meetings, recreation,

"The choice is not working or not working, but which type of work; even feeling guilty because of procrastinating takes some effort."

socialization). You'll realize that you have only a few hours a day for real work.

- Fill in the work hours only after you've finished *30 min of uninterrupted work*. Don't record the time if you stop before 30 min, or step away for a snack/call.

- After each work period, *reward yourself* with a break or switch to a more enjoyable task. Before going for a recreational or social activity, take 30 minutes to work on a high-priority project.

- *Add up* the number of quality hours worked each day/ week and give yourself a pat on the back. You may soon feel excited to see how many work hours you can clock each day.

- Devote at least 1 day a week just for *rest and recreation* (and perhaps some small chores). After a rest, you'll feel more motivated to return to your high-priority projects.

- Focus on "when is the next time I can start?" and keep taking *1 small step at a time*. Don't try to finish an entire project, or work non-stop for 3 hours. Just aim for just 30 minutes of quality, focused work.

- *Never end on a low note*. If you're stuck, use another 5-10 minutes to at least come up with a partial solution.

Within 2 weeks, you'd have established a rhythm and have a better sense of your schedule. You can now start to make adjustments:

- Consider starting earlier, reprioritizing your tasks, or dropping/delegating some projects to *free up time* for your primary goal. Ideally, use your first 30min-slot for your highest-priority task, followed by the next-highest priority task and so on.

- If you *can't get started* even with 30 min of focused work, then take a full day's rest to do something you really want to do. You'll probably feel more eager to return to work the next day.

- Make a firm commitment to your *scheduled leisure activities* (e.g. sleep, meals, exercise, socialization).

KEY QUOTES

Sample Procrastination Log							
Hours	Sun	Mon	Tue	Wed	Thu	Fri	Sat
6-7am							
7-8am							
8-9am							
9-10am							
10-11am							
11-12pm							
12-1pm							
1-2pm							
2-3pm							
3-4pm							
4-5pm							
5-6pm							
6-7pm							
7-8pm							
8-9pm							
9-10pm							
10-11pm							
11-12am							
12-1am							
1-2am							
2-3am							
3-4am							
4-5am							
5-6am							

KEY QUOTES

Work in the Flow State

Peak performance comes when we're in a state of flow, i.e. we feel calm, focused, and so absorbed in our work that even the most challenging task feels effortless. Yet, you can't feel creative or inspired if you're constantly judging or criticizing every step you take. To use your brain optimally, you must suspend your criticism/judgement and allow your creativity and inspiration to flow. You can organize the ideas later to meet specific requirements or standards.

Train yourself to get into the flow state:

"Working in the flow state or in the zone removes the emotional need to procrastinate and accelerates your progress toward your goals."

- Don't impose linear structures prematurely during the *initial steps/drafts* as your idea is still unfolding.

- Before each 30-minute work session, use 2 minutes for a *focusing exercise* to shift into a relaxed, creative state of mind. Sit upright and breathe deeply. Hold your breath for a moment, and then imagine your tension flowing out as you exhale slowly. With each exhale, release any remaining tension and allow the deep relaxation to flow down your entire body. Let go of all thoughts/worries about the past, as well as your anticipations for the future. Bring your energy and focus to the present and what you choose to do right *now*.

- In the book, Dr. Fiore also suggests additional self-talk and a 12-15 min relaxation exercise to prepare for your focusing exercise.

Use Controlled Setbacks to Train your Responses

Use planned setbacks to practice how to counter your negative habits and switch to a productive one. The more you practice, the more you build your brain's neural pathways to facilitate peak performance.

- Choose projects/tasks that you're likely to procrastinate on, and deliberately switch to a *producer mindset* using the various techniques above (e.g. switch from "I have to" to "I choose to", apply the focusing exercise or the Unschedule). Observe the shift in your own thoughts and feelings.

- Through the practices, you can build *hardiness and resilience* to bounce back from setbacks and persevere through difficulties.

- Practice how to master your *distractions* during focused work.

  (i) You may suddenly feel anxious about a deadline or concern, think of an outstanding task, fantasize over something, or have an idea/inspiration. Just jot these down in a notebook so you can deal with them later, e.g. put the fantasy in your guilt-free playbook as a potential reward in the future.

KEY QUOTES

"Great works are performed, not by strength, but perseverance."
—Samuel Johnson

(ii) Most distractions can be addressed after your half-hour of focused work, with the exception of strong emotions (especially if you're using work to escape your feelings about a loved one or a major concern). Pause briefly to acknowledge your emotions and develop a plan to address them later. This will give you the peace of mind to return to your work.

You can also use mental rehearsals to prepare for your focused work sessions. Use mental imagery to call up positive feelings and enter a focused, relaxed state of mind. For example, if a project seems like huge, thick wall, then imagine a small door that you can simply walk through. You can also visualize sitting at your desk and immersing yourself in your work with focus and enjoyment.

Set Effective Goals

Learn to set effective goals, so you can achieve them and build your confidence.

- It's better to set *a few key goals* that you're committed to, than to waste energy procrastinating on many trivial goals.

- Set *realistic, observable, concrete goals* with an action verb (e.g. "I will make 10 sales calls by Friday 5pm", not "I'll finish my calls next week"). Include an action-oriented sub-goal that tells you exactly what you must do today.

- If you're repeatedly drawn to a goal that you can't find time for, then treat it as a *wish* rather than a goal. That will free you to focus fully on the present goal.

Managing the Procrastinators in your Life

Managing procrastinators at work. Now that you understand procrastination, you'll see why many management practices actually backfire. Managers who use threats and pressure only increase people's fears, anxiety and tendency to

KEY QUOTES

"Nothing is so fatiguing as the eternal hanging on of an uncompleted task."
—William James

procrastinate. On the other hand, successful managers use words and images that evoke choice and inspiration. They state priorities clearly and give frequent rewards and praises.

- *Commitment, not compliance*. Successful leaders don't demand compliance, e.g. "You have to finish this by today" or "You better make sure there're no mistakes." They invite commitment by giving people a sense of choice and trust, e.g. "Can you get a draft to me by end of today?" or "Can I count on you to manage this important account?"

- *Action steps vs end-point*. Effective managers don't just focus on the finish-line, e.g. "Get this done by Friday." They clearly communicate how to get started, and break down a project into a series of sub-goals, e.g. "When can you start on a first draft?" or "We need to table the proposal next Tuesday, so can you send me a first draft in 2 days' time?"

- *Criticism vs praise/rewards*. Good managers don't attack people's character, e.g. "Why can't you ever get things right?" Instead, they offer praises and constructive, action-oriented feedback, e.g. "That was a really clear and succinct report", or "You did a great job handling that angry customer." They also offer rewards and encouragement whenever a sub-goal is achieved.

- They state their *priorities* clearly, and stick to their decisions. When they're unsure of the correct priorities, they involve their team members in the decision-making process.

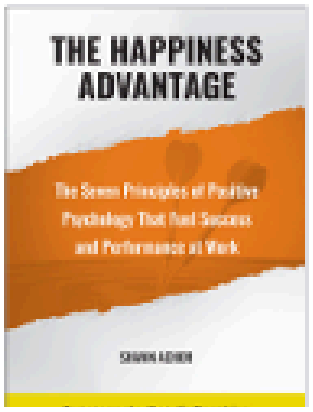
The same principles apply to procrastinators at home.

- Don't treat your family members like kids or blame them for not living up to your expectations. Instead, appeal to them as *responsible, autonomous individuals*, e.g. "I know I'm obsessed about being on time, so I have to leave in exactly 30 minutes. It's great if you can join me, but that's up to you." Then, be prepared to leave in 30 minutes even if the other person isn't ready.

- The best way to influence behavior is by *role modeling* what it means to be a producer who works and plays to the fullest.

KEY QUOTES

"Frequent encouragement helps a worker to feel motivated now while on the path to distant rewards."



THE HAPPINESS ADVANTAGE

The Seven Principles of Positive Psychology that Fuel Success and Performance at Work

SHAWN ACHOR

The Big "So What"

Happiness has been found to be an important predictor of success. In this book, Achor presents a set of 7 proven positive psychology tools that can improve your resilience, happiness, well-being and performance.

Introduction

Many of us have been brought up on the belief that success brings happiness—we think we'll only be happy if we get that promotion, if we lose that next 5 pounds, and so on. Yet, today, there's ample scientific research to show that happiness drives success, not vice versa. When you're happy and positive, you tend to be more motivated, resilient, creative and efficient, which in turn improves your results. This is the "Happiness Advantage".

There's also extensive evidence that the human brain changes throughout our lives. This means that everything from your intellectual capacity to personal potential *can* be changed. From his research, Achor found 7 positive psychology principles which were proven to help people from various walks of life—from Harvard students to professionals and Fortune 500 executives—to overcome challenges, improve productivity and unlock their potential.

The 7 Positive Psychology Principles

Principle #1: Tap on the Happiness Advantage

Train your brain to become more positive, as it gives you a natural advantage over being neutral or negative.

KEY QUOTES

"Happiness and optimism actually fuel performance and achievement—giving us the competitive edge that I call the Happiness Advantage."

"Happiness is not the belief that we don't need to change; it is the realization that we can."

"Small positive interventions (can) create sustainable, longterm change at work."

What's happiness? There's no universal definition for happiness. Generally, it's a state of subjective well-being that involves a positive mood in the moment and a positive viewpoint for the future. In this book, Achor uses "happiness" interchangeably with words like "positivity" and "positive emotions".

There are many studies to show that happiness brings better health, success and achievement (and not the other way round).

- *Learning and creativity*. Positive emotions release dopamine and serotonin in our brains to improve our learning capacity. They also improve our peripheral vision so we literally see more things around us. Students and young children who were feeling happy performed much better at tests and learning tasks than their peers who were feeling neutral or negative. People who were feeling amused or contented thought of more ideas than people feeling angry or anxious.

- *Performance*. Positive emotions increase your chances of success by (i) improving your ability to conceptualize new solutions and (ii) alleviating physical symptoms of stress and anxiety (e.g. increased heart rates or blood pressure). By thinking about something that makes you happy just before a stressful exam or presentation, you can prime yourself for better performance.

- *Health*. Nuns with more joyful journal entries (which indicate a positive disposition) were found to live almost 10 years longer than those with negative or neutral entries. Unhappy employees were also found to take 15 more sick days a year compared to their colleagues.

We all have different "happiness baselines", i.e. some people are naturally happier than others. However, you can use these proven practices to boost short-term emotions *and* permanently increase your happiness baseline.

- *Meditate*. Meditation has been found to grow the left prefrontal cortex—the part of our brain with the greatest impact on happiness levels. By taking 5 minutes daily to meditate and focus on your breathing, you can reduce stress, improve happiness and even immunity over time.

- *Look forward to a future reward* (e.g. a movie or a vacation)—the anticipation alone can boost your endorphin levels so you feel as happy as when you enjoy the actual reward.

KEY QUOTES

"Happiness causes success and achievement, not the opposite."

"Even the smallest shots of positivity can give someone a serious competitive edge."

"Happiness is not just a mood—it's a work ethic."

- *Perform 5 deliberate acts of kindness daily*. Altruistic acts (e.g. giving to friends or strangers) have been found to reduce stress and improve mental health.

- *Inject positivity into your environment*, which has a huge impact on your mindset and well-being. Surround your workspace with pictures of loved ones, go for a walk on a nice day, and watch fewer negative TV programs.

- *Exercise*—be it walking, biking, or playing—triggers the release of endorphins, reduces stress and improves motivation. Exercise is as effective as antidepressant medication in the short term, and even more effective than medication in the long-term.

- *Invest in meaningful experiences*, as they bring more lasting happiness than pleasure from material acquisitions (i.e. buying things for yourself).

- *Use a signature strength*. It feels good to apply a core skill. Identify your top 5 strengths on www.viasurvey.org and use at least 1 key strength each day.

KEY QUOTES

"Physical activity is not just an incredibly powerful mood lifter, but a long-lasting one."

"Each time we use a skill, whatever it is, we experience a burst of positivity."

Lead with the Happiness Advantage. Leaders can create huge ripple effects because they can (i) shape the company policies/ culture, (ii) act as a role model and (iii) influence their team members directly. Unfortunately, in many organizations, leaders dismiss the need for happiness and even frown on people laughing or taking breaks from work.

"By changing the way you work, and the way you lead the people around you, you can enhance the success of your team and your whole organization."

- The Happiness Advantage is a *useful tool* for motivating your team and unlocking staff potential. By using small gestures (e.g. giving encouragement or providing recreational options), you can generate positive feelings to trigger the advantage. Google provides scooters, video games and gourmet food for its staff while Toyota uses strength-based training. Coors Brewing Company saw a return of >6x from its corporate fitness programs alone.

"Even the smallest moments of positivity in the workplace can enhance efficiency, motivation, creativity, and productivity."

- Leaders' *tone of voice and body language* also impact others, e.g. a message delivered with an angry, annoyed or indifferent tone could affect staff morale and performance.

"Just as important as what you say to employees is how you say it."

- *Stay above the Losada Line*. Marcial Losada discovered that for an organization to work well, there must be approximately 3 positive interactions for every negative interaction. Team

performance suffers when you fall below the Losada Line and peaks when you hit the ideal ratio of 6:1 positive-to-negative interactions.

Principle #2: Change outcomes with your fulcrum and lever

Famous scientist and mathematician Archimedes theorized that with a long-enough lever and the right fulcrum, a man could single-handedly move the world. Your mindset is like your fulcrum while your belief is like your lever. By shifting your mindset and extending your belief of what's possible, you can magnify your ability to create what originally seemed impossible.

Your mindset (the fulcrum). Reality isn't cast in stone; it's merely your subjective understanding of the world. By changing your mindset, you can change your perceived reality and how you respond to it.

- Everyone has 24 hours a day; your mindset defines *how much you achieve with your time*. People with positive mindsets tend to work more productively and energetically, e.g. they may find meaning in a mundane activity by challenging themselves to do it better or trying to learn something in the process. They also tend to use their leisure time to recharge and enrich themselves. On the other hand, those with negative mindsets drag themselves through work and treat leisure activities as a waste of time.

- Your mindset is so powerful that it can *change the concrete outcomes from your subjective experiences*. In an experiment, a group of 75 year old men were told to dress, speak, act and live as if they had travelled back in time to when they were 55 years old. After just 1 week, most of the men showed an improvement in physical appearance, flexibility, strength, eyesight, and/or mental capabilities. Placebos have been found to be 55-60% as effective as real medication or treatments—people experienced hair growth and reduced knee swelling even when they were given placebo drugs and fake surgery. On the other hand, people who thought they had come into contact with poison ivy actually developed physical symptoms (e.g. boils, redness and itching).

Your beliefs (the lever). Your belief about your potential defines what you can achieve. Accountants' belief in their ability/

KEY QUOTES

"Give me a lever long enough and a fulcrum on which to place it, and I shall move the world."
- Archimedes

"Our mindset, and in turn our experience of the world, is never set in stone, but constantly in flux."

"Mindset doesn't just change how we feel about an experience—it actually changes the objective results of that experience."

"The mental construction of our daily activities, more than the activity itself, defines our reality."

"The more you believe in your own ability to succeed, the more likely it is that you will."

potential was found to predict their job performance better than their skill level/training. Women who were told they had superior math abilities did much better than those who were told they had inferior abilities.

- *Believe in your abilities*. While prior preparation is important, your mental state directly affects your in-the-moment performance. During a difficult task, you'll perform better if you focus on your strengths or the reasons you'll succeed.

- *Believe you can improve your abilities*. Carol Dweck found that people with a growth mindset consistently out-perform those with a fixed mindset. The former believe that skills, abilities and temperaments can be changed, so they take every opportunity to learn and improve. The latter believe they can't change and thus let opportunities slip by.

Find your calling. Amy Wrzesniewski found that employees can have 3 mindsets about work: they can see it as a *job* (a chore to earn a salary), a *career* (a means to achieve success) or a *calling* (a way to use their strengths to contribute meaningfully).

- People who see their work as a calling are more likely to work longer and harder at it, resulting in *higher chances of success*. On the other hand, telling people their work is meaningless is a sure way to demotivate them.

- How you see your work depends on your *mindset*, not the job nature. A janitor with a job-orientation may find it a chore to clean up others' mess while a janitor with a calling-orientation may feel satisfied to provide a clean environment for others.

- Instead of using a job description, try writing a "*calling description*" to describe the meaning from your work (e.g. how you're impacting others) and how it helps you to achieve your wider goals.

You can **influence others' mindset and beliefs** simply by changing your choice of words to convey faith and encouragement instead of cynicism and doubt.

- Your expectations of someone can affect their actual performance, a phenomenon called the *Pygmalion Effect*. In an experiment, teachers were told that certain students had

KEY QUOTES

"By changing the way we perceive ourselves and our work, we can dramatically improve our results."

"Beliefs are so powerful because they dictate our efforts and actions."

"You can have the best job in the world, but if you can't find the meaning in it, you won't enjoy it."

"Even the smallest tasks can be imbued with greater meaning when they are connected to personal goals and values."

higher academic potential when these were just ordinary students. Due to the teachers' high expectations, the students ended up with superior results. At the workplace, people also tend to act the way we expect them to.

- If you're a leader, *ask yourself 3 questions regularly*: (i) Do I believe my staff can improve their abilities? (ii) Do I believe my staff want to invest the effort and do meaningful work? and (iii) How am I conveying these beliefs via my words and actions?

Principle #3: Create a Positive Tetris Effect

The Tetris Effect occurs when we spend so much time and attention on something that it changes our thoughts, mental images, and behaviors. It was named after the phenomenon of people seeing their world in Tetris blocks (e.g. constantly thinking how buildings or items may fit together) after they've played the game for too long. Train your brain to see positive patterns (like possibilities and opportunities) instead of the negatives (like stress and failure).

Your brain naturally filters out as much as 99% of the environmental inputs you receive. What it takes in or filters out depends on what you train it to focus on.

- "*Inattentional blindness*" refers to our tendency to be oblivious to something we're not focusing on, even if it's right in front of us. In a famous experiment, people were asked to count the number of times the white team passed the ball in a basketball game. They were so focused the ball that 46% failed to notice a person walking across the screen for 5 seconds in a gorilla costume.

- On the other hand, *when we focus on something*, we tend to see it everywhere. If you've decided to buy a certain car model, you'd suddenly notice it everywhere.

Our predominant work habits can shape our brain's thinking patterns so much that it spills over to our personal life. Tax auditors who spend hours at work looking for errors tend to focus on their kids'/spouses' mistakes at home. Athletes can't help competing with others while financial traders can't help assessing the risks in everything. Beware of such negative Tetris Effects.

KEY QUOTES

"Spam filters, whether in our heads or our e-mail, scan only for what they are programmed to find."

"We tend to miss what we're not looking for."

Different people see different things in the same situation, not only because of their interpretation but because of what they actually notice.

- Two groups of people were asked to count the number of photos in newspapers. The group that believed they were lucky finished the task quickly as they saw at least 1 of 2 planted messages telling them they could stop. Those who believed they were unlucky failed to see the opportunities right in front of them and missed both messages.

- In both work and life, those with positive cognitive patterns are more likely to recognize and take up an opportunity when it comes along, while the opposite holds true for those with negative cognitive patterns.

Create the Positive Tetris Effect by training your brain to look for opportunities and ideas that increase your success, instead of the negatives that block success.

- *Do this simple daily exercise*: write down specifically 3 good things in your work or life, e.g. the friendly driver who helped you with your luggage or that wonderful dinner with your spouse. This trains your brain to notice and focus on the positives while pushing the negatives to the background. This exercise has been found to improve happiness levels over 1-6 months, with sustained effects even after people stop doing it.

- You can *vary the exercise* by writing a long daily entry about a positive experience. Make it easier by ritualizing it (e.g. doing it at the same time and place daily) or involving others (e.g. doing it with your team or spouse).

- Creating a positive Tetris Effect doesn't mean you should shut out all negatives and become blind to problems. *Wear rose-tinted glasses, not blindfolds*.

Principle #4: Fall upward

During crisis and failures, we typically have 3 mental paths: (i) we keep dwelling on our current situation, (ii) we think about worst-case scenarios, or (iii) we find the upward path that brings us out of the dumps into a stronger position than before. Learn to find the third mental path so you can emerge stronger and happier from setbacks.

KEY QUOTES

"It's not your age, or what you do for a living; it's the training and consistency that count."

"The ideal mindset isn't heedless of risk, but it does give priority to the good."

"Our ability to find the Third Path is the difference between those who are crippled by failure and those who rise above it."

Finding the path to success. Studies show that people who see failure and disasters as an opportunity to grow and learn are more likely to find creative ways to rebound from their setbacks. On the other hand, people who stop searching for solutions lose the ability to overcome challenges and keep sliding downward.

- Some people who experience trauma end up with Post-Traumatic Stress Disorder (PTSD) while others experience Post-Traumatic Growth (to feel greater compassion, spirituality, strength etc.). The difference lies in how they perceive the trauma.

- During economic downturns, companies that focus on streamlining their operations and creating new solutions tend to pull ahead of those who focus on lost opportunities.

Use these strategies to find the upward path:

- *Change your counterfacts*, or the explanation you create about what happened and why. Imagine you fell down the stairs and broke an arm—you could think you were unlucky to get injured, or you could think you were lucky not to get a more serious injury. You can always choose your counterfacts.

- Adopt a more optimistic explanatory style, so you *see your failures as specific and temporary* ("I made a mistake this time"), rather than global and permanent ("I'm just too stupid"). Studies have found that people who adopt the former approach tend to learn from their mistakes while the latter simply give up.

- Even if you've experienced a real disaster, you can *decatastrophize the event* by looking for alternative counterfacts and considering the long-term impact, which is usually not as bad as you think.

Principle #5: Regain control with the Zorro Circle

We find the best solutions when we can think clearly and creatively. Unfortunately, in times of crisis, all logic goes out of the window.

Legend says that the masked hero, Zorro, mastered the sword by training in a small circle. The Zorro Circle represents our "circle of control". When things are spiralling out of control, refocus on small, manageable goals, then gradually expand your circle as you rebuild your confidence and control.

KEY QUOTES

"The most successful people see adversity not as a stumbling block, but as a stepping stone to greatness."

"When people don't believe there is a way up, they have virtually no choice but to stay as down as they are."

"Our fear of consequences is always worse than the consequences themselves."

"Adversity never hits us quite as hard—or for quite as long— as we think it might."

Why we lose control. Our brain has (i) an emotional center (governed mainly by the amygdala) which triggers our instinctive responses, and (ii) a logical center (governed mainly by the prefrontal cortex) which rationalizes our options before we act.

- In the cavemen age, if you're faced with a lion, there'd be no time to analyze your options; your amygdala would flood your body with hormones to spark a *"fight or flight" response*.

- Today, we seldom face such time-critical dangers. Yet, when we're extremely stressed, our involuntary biological responses take over and we get *emotionally hijacked*. When this happens, we can't think clearly, tend to lash out at others, feel helpless and/or take drastic actions.

Perceived control. When you believe you're in control of your fate and outcomes, you tend to be happier, less stressed, and more motivated. The actual amount of control you have is less important than how much control you *think* you have. When elderly in a nursing home were given control over simple daily tasks (e.g. caring for their house plants), mortality rates actually fell by 50%.

How to regain control, 1 circle at a time:

- *Develop self-awareness*: The simple act of putting your feelings into words can reduce the impact of the negative feelings.

- List down (i) aspects of the situation you can control vs (ii) aspects that you can't control. *Identify 1 small goal you can achieve quickly*. By focusing your energy and effort on 1 task, you increase your chances of success and regain a sense of control.

- *Expand your circle of control gradually*, going for goals of mid-difficulty so you still must push yourself but won't feel so overwhelmed that you give up. Don't set unrealistic goals that'd backfire and demoralize you.

Principle #6: Transform habits with the 20-Second Rule

Almost everyone understands the value of a healthy diet, exercise and rest. Yet, most people don't do it. Even if you want to nurture positivity,

KEY QUOTES

"When our brain hits the panic button, reason goes out the window and our wallets, our careers, and our bottom lines all suffer."

"Feeling that we are in control, that we are masters of our own fate at work and at home, is one of the strongest drivers of both well-being and performance."

"Small successes can add up to major achievements. All it takes is drawing that first circle in the sand."

"Common sense is not common action."

it's hard to break existing habits to create lasting change. Use the path of least resistance to replace bad habits with good ones.

We're creatures of habit. Most of our daily actions—from clothing ourselves to brushing our teeth—are habits that we don't consciously think about. The best way to sustain positive change is to convert a desired behavior into an automatic habit.

- *How habits are formed*. Each time you do something, it sparks electrical currents between the billions of neurons in our brains. When you do something regularly, it reinforces specific neural pathways, allowing the currents to move faster until the behavior seems second-nature to you. It may be hard to coordinate your movements when you first learn to juggle, but with practice the movements become automatic.

- *Overcoming inertia*. It's human nature to follow the path of least resistance and stick with "default" options, e.g. using the default ringtone on the phone or buying items placed at eye level (instead of those at the top or bottom shelves). When you force yourself to do something, it takes willpower; and willpower gets depleted with use. That's why it's so hard to break a habit—you must repeatedly invest physical and mental energy until the habit is changed.

Use this strategy to form new habits: Put your desired habit on the path of least resistance. Add 20 seconds of extra effort to a habit you want to break, and reduce the effort for the new habit you want to form.

- For example, to stop snacking on chocolates, keep them in a container on an upper shelf so it takes 20 extra seconds to reach them. Concurrently place fresh fruits on the kitchen counter within easy reach. To watch less TV, remove the batteries from the remote control and keep them in your bedroom drawer. Concurrently place a book next to the couch so you're more likely to pick it up.

- Set rules in advance so you won't need to make a decision each time and reduce the chances you'd go off-course.

KEY QUOTES

"Habits are like financial capital—forming one today is an investment that will automatically give out returns for years to come."

"Your brain, once it has tipped toward a habit, will naturally keep rolling in that direction, following the path of perceived least resistance."

Principle #7: Invest in social support

In times of difficulty and stress, we need social support more. Yet we tend to bury ourselves in work and reduce our time with friends and family. Invest in social support, which is one of the biggest predictor of success and happiness, and your greatest asset.

Our social interactions (with spouse, family, friends, colleagues etc.) generate positive feelings and deepen relationships, both of which improve our happiness baseline, well-being and performance. Positive social interactions lead to the release of oxytocin, a pleasure-inducing hormone that reduces stress and improves focus. Social connections also improve our cardiovascular, neuroendocrine, and immune systems. On the other hand, the lack of social support/contact can hurt life expectancy as much as smoking, high blood pressure and obesity.

To build your social capital:

- *Create high-quality connections* e.g. greet colleagues with eye contact, remember things about them like their interests or the names of their children.

- *Show support in good times (not just bad times)*. When someone shares a piece of good news, respond with enthusiasm and interest e.g. "That's great news! I'm glad your work is being recognized. When will your promotion take effect?" Passive responses (e.g. "That's cool") or negative responses ("Oh, I thought the promotion would go to Ben") can be harmful, and the worst response is to ignore the good news altogether.

Employees with strong bonds to their manager tend to perform better and stay longer. As a leader, you can strengthen your personal connections directly and build an environment that nurtures social relationships.

- Create opportunities for employees from different departments to interact and connect. Go beyond formal work titles to recognize people's contributions, personal interests etc. Give people your full attention during a conversation (instead of looking at your phone) and move around for face-to-face interactions and acknowledge people's work.

KEY QUOTES

"When we encounter an unexpected challenge or threat, the only way to save ourselves is to hold on tight to the people around us and not let go."

"The more social support you have, the happier you are. And as we know, the happier you are, the more advantages you accrue in nearly every domain of life."

"Like our stocks, social support networks grow stronger the longer they are held."

"The best leaders give their employees the space and time to let moments of social connection develop on their own."

- Google provides cafes where employees can interact, and encourages its staff to visit their kids at the on-site day care. UPS encourages its truck-drivers to meet up for lunch while Southwest Airlines and Domino's Pizza allow their staff to offer donations for colleagues with medical or financial emergencies.

Creating a Positive Ripple Effect

All 7 principles above are closely intertwined and will create a larger synergistic effect when applied together. The best way to create a massive impact is not to preach to others and hope they'll change. Instead, apply the principles to change yourself; in so doing, you'll naturally create a positive ripple effect.

- Our brains contain mirror neurons that sense and imitate others' feelings, actions and sensations. When you give someone a genuine smile, the other person can't help but mirror it back to you, which in turn improves your own positive feelings. This mirror effect is so powerful that 1 positive team member can change the dynamics of an entire group.
- In fact, our attitudes, words and actions are so contagious that they affect people up to 3 degrees of influence. For example, when you leave a positive impact on your child, you'll also indirectly impact her friends and their parents.

Other Details in the Book to Look out For

In the book, Achor shares many other empirical research and examples to help us understand the foundations of positive psychology and how the 7 principles are derived and applied.

For more details, please visit www.shawnachor.com/the-books/the-happiness-advantage.

KEY QUOTES

"The person we have the greatest power to change is ourselves."

"Practicing the seven principles in your own life can actually become your most effective leadership tool, without your even knowing it."

THE TOTAL MONEY MAKEOVER

A Proven Plan For Financial Fitness

DAVE RAMSEY

The Big "So What"

Many Americans are debt-ridden and live from paycheck to paycheck. This book debunks myths about money and debt, and provides a proven step-by-step plan to help you become debt-free and wealthy. If you embrace the ideas in this book and implement the steps consistently, you *will* regain your financial health and transform your life.

Introduction

A shocking number of Americans are in poor financial health. 88% of graduating college students have credit-card debts *before* they have jobs, 60% of Americans don't pay off their monthly credit card bills, 91% of families have no/little savings for their kids' college education, and 49% only have enough savings to last <1 month if they lose their household income.

To change your financial situation, you need 20% know-how and 80% action. Just like how we learn to read, write and drive, we must learn about money and master the skills through practice.

- Adopt financial principles and processes that *work in both good and bad times*. Unfortunately, during good times, people tend to become overconfident, develop bad financial habits, take huge risks and buy things they can't afford. When they're hit by bad times—be it an economic downturn, a job loss or a bad accident—they find themselves drowning financially with no backup options.

- The principles in this book are not new, and are actually very simple. The real challenge is in adopting them and *taking concrete action* to change the way you think and live. In this book, Ramsey (i) explains various financial principles vs myths, (ii) a 7-step plan to transform your life, and (iii) injects hope/

KEY QUOTES

"Personal finance is 80 percent behavior and only 20 percent head knowledge."

"What to do isn't the problem; doing it is. Most of us know what to do, but we just don't do it."

"When the tide goes out, you can tell who was skinny-dipping."
-Warren Buffett

"This is a process book. We are aiming at carefully weaving inspiration and information together into a step-by-step plan."

inspiration through stories of people who've successfully applied the plan. Regardless of your current financial situation, the key is to start taking action now to improve your financial health.

Addressing Obstacles to Financial Health

The Total Money Makeover (TMM) program is built on this underlying principle: if you will make the sacrifices *now* that most people won't, you can live later in a way that most people can't. To successfully embrace the TMM, you must first address several mental-emotional obstacles.

Overcome Self-denial

Change is uncomfortable and we tend to avoid it if possible. Thus, the first obstacle to overcome is yourself.

Face up to reality. If you're financially overweight (i.e. you have challenges with money), the first step is to acknowledge it so you can start getting back in shape.

Take 100% responsibility for your money and life. Stop finding excuses ("I have no time") or deluding yourself ("It's ok, there's no real problem"). Get financially fit before you get a financial heart attack. Don't fall into the trap of these 3 common risk denials:

- *Laziness*: Denying that you must put in effort to make money.
- *Fatalism*: Denying that you can do something in a bad situation.
- *False security*: Denying that there are risks in your current situation, e.g. thinking your job is 100% secure or your investments are 100% safe.

Debunk the Debt/Money Myths

Any lie, if repeated enough times, will start to seem like the truth. Our modern culture is filled with propaganda designed to influence our buying behaviors and lifestyle choices. To transform your financial health you must first change your perspectives about debt and money.

KEY QUOTES

"If you will live like no one else, later you can live like no one else."

"90 percent of solving a problem is realizing there is one."

"If you tell a lie often enough, loudly enough, and long enough, the myth will become accepted as a fact."

Debt is *not* a tool and won't bring you prosperity.

- Debt has become such an integral part of the American lifestyle that people *expect* to have housing mortgages, car payments, student loans and credit cards. You're constantly being brainwashed that to be successful or admired, you must wear a certain watch, drive a certain car, or join a certain club. You're also told that you should get these things *now* using debt. In reality, debt promotes *instant gratification*, encourages you to live beyond your means and exposes you to unnecessary financial risks.

- A loan makes the borrower a slave to the lender. That's why it's a bad idea to lend money to a friend or family member—it fundamentally *shifts the balance of power* and the relationship starts to deteriorate. Moreover, you're only helping your friend/relative to stay financially irresponsible, which hurts them in the long run. If you have extra cash and truly want to help, then give the money without expecting it back.

- Likewise, *loan schemes* like cash advances, payday loans or rent-to-own schemes do not genuinely help lower-income earners. The lenders actually charge high interest rates and make money at the expense of the poor.

- Learn to *calculate the real costs* of debt. If you buy a TV for $1,000 under a "90 days same as cash" scheme, you do *not* get a free TV; you merely get a 90-day interest-free loan. Chances are, you won't get a discount and will be charged 24-38% interest if you don't pay the full $1,000 within 90 days. If you had paid for the TV in cash, you could've negotiated a discount and avoided the interest payments. Better still, if you'd invested the $1,000 instead of buying the TV, you'll be *earning* interests instead of paying it.

Debt is not necessary nor unavoidable:

- *You do not need to build your credit*. Your credit or FICO scores affect your ability to get mortgages/loans. However, you *don't* need to keep borrowing to improve your scores. You're better off building your financial health so you won't even need a loan.

- *You do not need a credit card*. 69% of bankruptcy filers state credit-card debt as the cause of bankruptcy, and 19% of bankruptcy filing are by college students. Use a debit card

KEY QUOTES

"It is human nature to want it and want it now; it is also a sign of immaturity."

"Debt is not a tool; it is a method to make banks wealthy, not you. The borrower truly is slave to the lender."

"I am not against the enjoyment of money. What I am against is spending money when you do not have money to begin with."

"Just as slaves born into slavery can't visualize freedom, we Americans don't know what it would be like to wake up to no debt."

instead of a credit card—it offers the same convenience without the risk of overspending and accruing huge interests from overdue payments.

- *Debt consolidation is not a lasting solution*. It may save you some short-term interest, but your debt levels will grow back quickly if you don't change your spending habits.

The real building-block for your wealth is your income. The key to wealth is to free up your income so you can invest and grow it. In "The Millionaire Next Door", Dr. Stanley shares how a typical millionaire lives in a middle-class home, drives a second-hand car, and buys jeans from Wal-Mart. They become wealthy not by incurring debt, but by spending less than what they earn and using the remaining cash to build wealth. They apply delayed gratification and focus on growing their money instead of living a lavish lifestyle.

Unfortunately, most people prefer to believe in the myth of easy money. They look for miracles and secrets to overnight riches which don't exist.

- If you don't plan and save for your retirement, don't count on the government or God to provide for you. If you don't set aside time for budgeting or financial planning, then you'll only have yourself to blame when you're stuck with no savings and no job during a financial downturn.

- You can't buy a DVD, learn some secrets and become rich with just a few hours a week. Likewise, you won't get rich on lottery or other games of chance. Take a closer look at the people in the lottery queues and you'll realize that they are *not* rich.

- The faster you let go of the illusion of easy money, the faster you can redirect your time, energy and efforts to building the right financial foundation.

Learn to discern the truth about investment-related products.

- *Gold* is a not a secure investment for bad times. The historical rates of return for gold have been relatively low. In the event of total economic collapse, gold will have no more use or value than food, clothing and other essentials.

KEY QUOTES

"Looking good is when your broke friends are impressed by what you drive, and being good is having more money than they have."

"Money denial always involves an illusion, followed by disillusionment."

"Things won't be okay unless you make them that way... You are in charge of your retirement."

"The lottery is a tax on poor people and on people who can't do math."

"The secrets of the rich don't exist, because the principles aren't a secret."

- *Mobile homes or trailers* aren't good investments either as their value depreciates rapidly.

- Most *whole life insurance products* (that bundle insurance and savings) yield poor returns. By all means get insurance for your home, car or permanent disability, but do *not* use insurance as a form of saving or investment.

- Do not *prepay* for something (e.g. your funeral or your kids' college fees) to protect yourself against inflation, since your rate of return will be capped at the rate of inflation. Pre-plan for such expenses but don't pre-pay them.

Conquer Ignorance and Social Pressure

The typical American family has much more debt than savings, and no control over their finances. Couples quarrel over money and struggle with debt payment, taxes, and family expenses. Yet, people continue to live beyond their means; they buy houses, cars and lifestyle items on credit, only to lose everything when they get a pay-cut or lose their jobs. Stop following the ignorant masses; to become rich, you must learn from rich people.

Prioritize your financial goals over others' opinions.

- It's normal to want to feel accepted and respected, but there's no point in trying to impress others with a lifestyle you can't afford. Aim to *be truly wealthy*, not just *appear* to be wealthy.

- Have the guts to *resist peer pressure*: Say "no" to that expensive meal or the luxury trip beyond your budget. Be willing to give up your nice cars and boats or admit that you can't afford them *yet*. The good news is, once you have built your wealth, you'll be able to buy them using cash, not debt.

Total Money Makeover: Your 7-Step Financial Plan

The TMM is built on a series of Baby Steps, each acting as a building block for the next step.

Just like how you'd eat an elephant 1 bite at a time, you become financially ultra-fit 1 Baby Step at a time. Don't skip any step.

KEY QUOTES

"Ignorance is not lack of intelligence; it is lack of know-how."

"We buy things we don't need with money we don't have in order to impress people we don't like."

"To wish for the admiration of others is normal. The problem is that this admiration can become a drug."

"The paradox is that by shortcutting the process, you are much more likely to fail."

Before you begin, do up a written budget. At the start of each month, set up a zero-based budget where income = expenses. Every dollar you earn must be accounted for on paper—for bills, debt repayment, savings etc. This forms a baseline for your next 7 steps.

1. Set up a $1,000 Mini Emergency Fund

Do whatever you must to save $1,000 asap, e.g. cut your expenses, work extra hours, cut your expenses or do a part-time project.

- You *will* have an emergency at some point. Without a *contingency fund*, you're likely to throw all your financial plans out of the window. This starter fund can tide you through a mini-emergency without falling back on debt or credit cards.

- Make sure you keep it for *true emergencies*, i.e. something unpredictable but impactful, like a major illness or retrenchment. Car repairs, textbooks for the kids or Christmas dinners are *not* emergencies; with pre-planning, you could've saved up for them.

Keep the $1,000 out of sight, e.g. in a separate savings account. One of Ramsey's clients placed the money in a photo frame at the back of the closet wall with the words "In case of emergency, break glass". If you use your emergency funds at any point during the TMM plan, return to Step 1 to top up the $1,000 before proceeding further.

2. Start your "Debt Snowball"

Debt payments drain your monthly income and cultivate debt-dependency. Eliminate your debts to regain control of your income and free up cash for wealth-building.

- According to the Federal Reserve, an average person pays $495 a month for a car over 64 months. Once the car is fully paid off, the person would buy a new car and restart the payments. The same $495, if invested monthly (from age 25 to 65) in a mutual fund at 12% returns, will give you almost $5.9 million by 65 years old.

KEY QUOTES

"We will climb the whole mountain, but not until we first have a strong base camp."

"Until you get control and full use of your income to build wealth, you will not build and keep wealth."

- Imagine the impact if you were to invest $2,000 of your monthly income instead of using it for your mortgages, car payments and credit card debts.

The Debt Snowball is basically a strategy for clearing your debt.

- *List down all your debts* in order of debt balance, from the smallest to largest amounts. Include every loan, e.g. parental loans, zero-interest loans and business loans that're personally-guaranteed. Exclude only your home loan. Don't worry about the interest rates unless there're 2 loans with similar balances, in which case you'd list the one with higher interest rates first.

- *Pay off your smallest debts first*. These are easier to clear and you'll feel motivated by the progress. The money freed up from the smaller debts will also snowball toward your next-biggest payments. Only repay a bigger debt first if there're major repercussions e.g. a foreclosure.

- Each time you repay a debt, *redo the list* to see how you're moving toward financial freedom.

Commit 100% to become debt-free and retain a laser-sharp focus.

- *Stop taking new loans*. Cut up your credit cards and stop buying anything using debt.

- *Every dollar counts*. Use *all* penalty-free investments and non-retirement savings to pay off your debt, and find ways to tighten the belt, e.g. sell your expensive car and use a fraction of the original monthly payment to get a cheap second-hand car.

- A casual let's-give-it-a-try approach simply won't work. It's also critical to *get everyone in the family onboard*, e.g. if your husband refuses to sell the luxury car and boat, there's only so much you can achieve by cutting back on groceries.

To gain initial momentum and get your snowball rolling, you need a cash injection. You can:

- *Temporarily increase your income*, e.g. by taking on a part-time job; and/or

KEY QUOTES

"Total, sold-out, focused intensity is required to win. Aiming at the goal and nothing else is the only way to win."

"You can't get out of a hole by digging out the bottom."

- *Sell something*. You can either sell many small items in a garage sale, or a few high-value items. As a rule of thumb, if you can't be debt-free on something (except for your house), sell it. This includes luxury items (e.g. a boat with 20 months' outstanding installments) and your rental properties (i.e. don't keep a property with $50,000 rental equity if you have a $50,000 credit card debt). Pay off your debt first. You can always buy these items again in future when you're debt-free and have excess cash to spend/invest.

3. Complete your Emergency Fund

By now, you have $1,000 cash in your emergency fund, no debt besides your home mortgage and some financial momentum. It's time to finish building your emergency fund, so you have 3-6 months of living expenses if you lost your income. The riskier your financial situation, the more you should set aside.

Keep the money liquid or easily accessible, e.g. in a savings account or Money Market account where there's no penalty for withdrawals. Don't worry about interest rates since you're not relying on this fund to get rich.

- If there's clearly an *upcoming emergency* (e.g. your wife is pregnant with twins or your company is closing down in 3 months), it's ok to pause the Debt Snowball and build your emergency fund first.

- If you don't own a home yet, start *saving for your house* only after you've completed this step.

4. Build your retirement fund with 15% of your income

Invest 15% of your annual pre-tax gross income, excluding any matching contributions by your company. This figure is big enough to build your nest egg, yet small enough to leave enough for your home mortgages and other expenses.

Take the time to learn about investments so you can evaluate your own investment options.

KEY QUOTES

"The mission statement for the emergency fund is to protect you against storms, give you peace of mind, and keep the next problem from becoming debt."

"Investing with the long-term goal of security is not a theory to ponder every few years; it is a necessity you must act on now."

- Ramsey recommends investing in *growth-stock mutual funds*, which are good for long-term investments. The historical performance of the stock market has been slightly less than 12%.

- In *selecting the funds*, Ramsey:

  (i) Only considers those with good track record over at least 5-10 years; and

  (ii) Spreads his investments evenly across 4 types of funds: Blue Chip funds, Equity funds, International funds and Emerging Market funds.

Calculate how much you must save/invest monthly.

- Ideally, you can withdraw and live on 8% of your nest egg yearly, assuming you deduct 4% inflation from 12% annual investment returns. Calculate your *required retirement fund* by dividing your desired annual income by 0.08. For example, if you want a $30,000 retirement income each year, you'll need a total fund of $375,000.

- Calculate the *required monthly savings*, taking into account the # years you have to retirement. The later you start, the harder it'll be. For example, to reach $375,000 by age 65, you'll only have to save $163.50 p.m. if you start at age 30, but you'll have to save $636.75 p.m. if you start at age 45.

- This approach requires that you build your nest egg *patiently and consistently*. It won't work if you keep jumping in and out of the market, or pull out your investments each time you want to buy something.

5. Save up for college

If you don't need to attend college and don't have kids who do, you can skip this step.

Choose a college that you can afford.

- College education is important, but going to the most expensive, prestigious college *does not guarantee future success* or wealth.

KEY QUOTES

"Start where you are, because that is your only option."

"Systematic, consistent investing is the tortoise that beats the hare in the race. When you keep at it, the investing compounds and explodes."

"College degrees do not ensure jobs. College degrees certainly don't ensure success. College degrees do not ensure wealth. College degrees only prove that someone has successfully passed a series of tests."

Don't prioritize college fees over your emergency funds or chalk up a huge loan for it.

- As a general rule: *pay cash, don't take a loan*. If you have excess money or a scholarship, go ahead and enrol in a private school. If not, it's better to attend a state school debt-free than to take on a huge loan for a private school.

Calculate how much to save/invest monthly:

- Multiply the annual cost by the number of years to get the *total college funds* you need, then work backward to calculate the monthly savings required.

- If you're from the USA, you can grow your college funds with an *Educational Savings Account (ESA)*—this is tax-free for higher education and gives you the choice to invest it in any fund(s) and switch them at will. If you go for the *529 (a state plan)*, make sure you only go for the flexible plan that allows you to choose/switch your investments.

- If you're starting late and only have a few years before your kid starts college, then *get creative*. Approach companies that offer scholarships or work-study program, take on summer jobs etc. Do not take up a loan.

6. Pay off your home mortgage

By this phase, you're already fit and are ready to get ultra-fit. Resist the temptation to settle for being "good enough". Finish strong with the last 2 steps to become truly debt-free and truly wealthy.

Once you pay off your home mortgage, you will be totally debt-free. Don't believe the myths about the benefits of home mortgage.

- The tax deductions from the loans do *not* justify the *interest payments*;

- It's a bad idea to borrow money at lower interest rates to invest in something with potentially higher returns, because you're not accounting for the *risks* involved. You won't compare the

KEY QUOTES

"Student loans are a cancer. Once you have them, you can't get rid of them."

"Knowledge is what you are after, not a pedigree."

"Finishing well can be more important than starting well."

potential returns from mutual funds with those from a casino roulette spin because the latter is much riskier. Likewise, debt is risky and you could lose your house if something happens during the 15-30 year debt tenure.

You can consider refinancing your home mortgage if you'll (i) save on interests and (ii) stay longer in your home than the duration it'd take to breakeven. Remember to ask for a par quote so you don't end up pre-paying the interests.

7. Build wealth

By now, you're debt free, in control of your finances and are systematically planning, saving and investing for your future needs. You become truly wealthy when the returns from your investments are higher than your regular income. That means you have money working 24x7 for you, regardless of whether you work. From here, building your wealth will seem like an easy downhill ride instead of a tedious uphill climb.

Money won't solve all your problems or make you happy, but it can certainly give you more options in life. Money is also not inherently good or bad but will merely amplify who you are. To make the most of your resources, use your wealth for all of these 3 things.

- *Have fun*. To get to this step, you may have given up your fancy cars and luxury house which were bought using debt. But if you're now debt-free, have a healthy emergency fund, millions invested and a stable monthly income, it's ok to reward yourself. Use the spare cash to have some fun—bring your family for a luxurious holiday, buy a nice diamond or car.

- *Invest* to keep building your wealth over the long-term. When you have a strong financial foundation, you're less likely to panic in face of temporary market fluctuations and can deliberately buy low and sell high to multiply your wealth. Keep your investments simple until you have >$10 million. Develop a "wealth team" by surrounding yourself with people who're financially stronger than you, and hire qualified financial planners who're humble, nurturing and will act with your best interests in mind.

KEY QUOTES

"When your money makes more than you do, you are officially wealthy."

"To possess riches is to have the right to say how they will or will not be used."

"Someone who never has fun with money misses the point. Someone who never invests money will never have any. Someone who never gives is a monkey with his hand in a bottle. Do some of each."

- *Give*. Don't hog your wealth. Giving to others can be deeply rewarding and will only enrich (not impoverish) you.

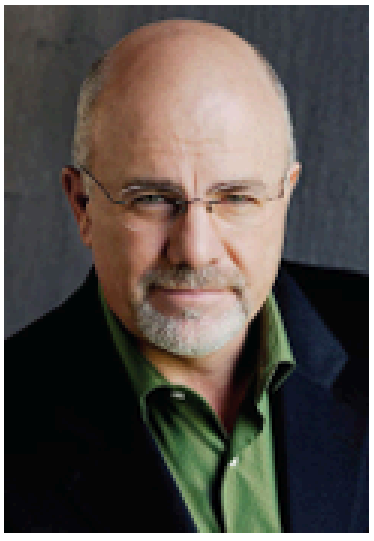
Conclusion & Other Details in the Book

If you follow the 7 steps in the TMM plan above, you *will* become wealthy in the next 20-40 years. The process is like how an overweight person gradually becomes fit, then ultra-fit. It's the hardest at the start, but it gets progressively easier once you've shed some weight and gotten in shape. In the book, Ramsey also shares:

- Short examples and calculations to illustrate the financially-unsound decisions that we make in our daily lives;
- Various US-centric examples and illustrations of retirement-related regulations and tools, additional debt and money myths; and
- Many short stories of people who've transformed their financial situation with the TMM.

You can download Ramsey's Financial Peace software program and get more details at daveramsey.com or MyTotalMoneyMakeover.com.

About the Author

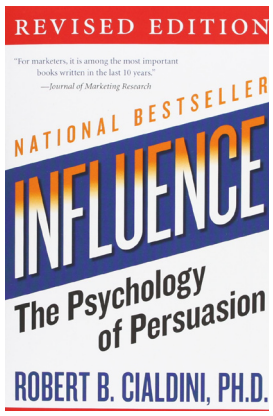


David Ramsey (born 1960) is an American radio show host, author and businessman. Ramsey graduated from the College of Business Administration at University of Tennessee. In 1988, he filed for bankruptcy as he was unable to repay the loans on his rental real estate portfolio. After recovering financially, Ramsey started to counsel couples at his church, and later developed a range of lessons, materials and tools on financial health and transformation.

Ramsey's company, The Lampo Group, Inc., focuses on financial education. His syndicated radio program, The Dave Ramsey Show, is heard on more than 500 radio stations throughout the United States and Canada. He has written numerous books. Ramsey was named the 2009 Marconi Award winner for Network/Syndicated Personality of the Year and was inducted into the National Radio Hall of Fame in 2015.

KEY QUOTES

"Only the strong can help the weak, and that is true of money too."



INFLUENCE

The Psychology of Persuasion

ROBERT B. CIALDINI, PH.D

The Big "So What"

Based on years of research, Cialdini discovered 6 key principles of persuasion which lead people to say "yes" automatically. Understanding these principles and associated techniques can help you to improve your influence and concurrently guard against others' manipulation.

Introduction

Fixed-action patterns. Both animals and humans have certain behaviors that are pre-programmed and activated once specific cues are triggered.

- Such patterns are essential for our survival. There are simply too many environmental stimuli for our brains to process everything. Using specific cues as *shortcuts*, we can react quickly without processing all the information. For example, a flash of sharp teeth or blade will signify "danger", causing us to step back instinctively without second thought.

- The same *predictable patterns* are behind animals' mating rituals and defence mechanisms. A mother turkey will care lovingly for a chick that makes a "cheep-cheep" sound (a good indicator that the chick is healthy), but will ignore or even kill a chick that doesn't chirp. The "cheep-cheep" sound is so powerful that the turkey will even care for a predator-shaped stuffed toy if it makes the sound.

In short, we tend to respond in an mechanical, predictable way to certain triggers or stimuli. With the right cues, we'll **say "yes" automatically** without conscious thought.

KEY QUOTES

"We must very often use our stereotypes, our rules of thumb to classify things according to a few features and then to respond mindlessly when one or another of these trigger features is present."

"Fixed-action patterns…occur in virtually the same fashion and in the same order every time."

- For example, you're more likely to comply to a request if the other party offers a reason using the word "*because*". You'll also estimate how good/heavy/valuable something is, just by comparing it with something you've just seen (the "*contrast principle*").

- We fall back on such shortcuts more when we're tired, stressed, distracted or rushed. With technological advancement, a faster pace of life and information-overload, we've become *increasingly reliant* on this primal way of making quick decisions.

After many years of research, Cialdini discovered 6 key **weapons of influence**, each built on a psychological principle of persuasion.

- Underlying all 6 principles is "*material self-interest*", i.e. everyone wants to pay the least, yet get the most.

- Each principle can be used to *bring positive change or deceive others*, depending on the intention of the user. Being aware of these weapons allow us to guard against "compliance professionals" (e.g. salespeople or marketers) who specialize in getting people to comply with their requests.

The 6 Principles of Persuasion

Reciprocity

When someone does something for us or gives us something, we feel obliged to repay in kind.

The **Reciprocity Principle** is a vital part of human society:

- It makes it less risky for people to offer help or goodwill to others; it facilitates sharing and cooperation which supports mankind's *social advancement*.

- You'll feel *indebted to repay a favor* even if you don't like the person.

KEY QUOTES

"We have created an environment so complex, fast-paced, and information laden that we must increasingly deal with it in the fashion of the animals we long ago transcended."

"A favor is to be met with another favor; it is not to be met with neglect, and certainly not with attack."

Reciprocity has been **widely tested and applied** in various settings:

- In an *experiment*, a man intentionally gave a free bottle of Coca-Cola to some participants but not others. Those who received the free drink later bought twice as many number of raffle tickets from the man as a favor, compared with those who didn't.

- In *sales*, free samples are commonly used to trigger the reciprocity principle and let customers try the product. It's also proven that you're more likely to get a *donation* if you give someone a small gift first.

- Reciprocity even works in *politics and war*. During World War I, a soldier was released after he shared his only piece of bread with the enemy who had captured him.

When you receive a concession, you'll also feel obliged to give a concession. There are **2 related compliance techniques** built on this principle: "reject-then-retreat" and "large-then-small".

- Basically, the other party starts with a larger request (e.g. present an item for $20). If you reject the request, he/she makes a smaller request (e.g. present a less valuable item for $5). In this case, you're *likely to agree the 2nd request* because (a) the requesting party seems to have made a concession, which triggers you to give a concession by switching from "no" to "yes" and (b) by perceptual contrast, the 2nd request seems smaller.

- The larger the initial request (within reasonable limits), the bigger the concession seems. The *requester wins by default*—if we accept the initial request, he/she gets a better deal; if we only accept the 2nd request, they still get a deal.

Interestingly, the receiving party doesn't usually feel cheated and even **responds positively.** Such techniques have been found to (a) increase the chance of *getting* an agreement, (b) increase the chance of the agreement being *fulfilled*, and (c) increase the *satisfaction level* of the receiving party. This is because:

- When we believe someone gave us a concession, we feel *responsible* for the outcome and tend to honor it.

KEY QUOTES

"A person who feels responsible for the terms of a contract will be more likely to live up to the contract."

- We also tend to feel more *satisfied* with the arrangement, and are hence more likely to repeat it in the future.

However, this principle can also be **used against us**.

- *Unsolicited debts*. We may be pressured to accept something that we don't want or dislike, yet feel compelled to repay it. For example, you may grudgingly accept a snack that someone bought for you, then later find yourself cornered to return the favor, resulting in a lose-lose situation. Or, you may receive an uninvited gift in the mail with a request for donation.

- *Unfair exchanges*. A small gift or favor may be used to trigger a much larger favor or purchase in return.

How to say no. It doesn't make sense to reject all favors, gifts and concessions, since many are genuine and benefit us. The key here is to identify the true intention of the requester.

- Start by *accepting the favor or gift* offered to you.

- If the person starts to make demands/requests after that, simply *redefine the situation mentally*. Recognize that it's not a real favor or concession, but a persuasive manoeuvre—this frees you from your sense of obligation and makes it easier to say "no".

Consistency

Once we take a stand or make a choice, we feel compelled to behave consistently with our earlier commitment, and to justify our own decisions so we feel better about them. This need to appear consistent (to ourselves and others) can make us act contrary to our best interest.

Consistency is an **important motivator** because:

- Most *cultures* value personal consistency. Consistency is associated with clarity, reliability or honesty, while inconsistency is associated with indecision, confusion or deceit.

KEY QUOTES

"Another person can trigger a feeling of indebtedness by doing us an uninvited favor."

"The rule says that favors are to be met with favors; it does not require that tricks be met with favors."

"We all fool ourselves from time to time in order to keep our thoughts and beliefs consistent with what we have already done or decided."

- It provides a mental shortcut to *minimize the amount of thinking required*—once we've decided on something, it's easier to use it to guide future decisions.

- It also allows us to *avoid difficult realities* that we'd rather not deal with, e.g. we may prefer to believe that our current solutions will work, rather than find alternatives to a tough challenge.

For the consistency principle to kick in, **a real commitment** must be made, with a fundamental shift in self-image. This involves several components.

- *Active*. When you actively do something in support of a position or decision, you become more committed to it. A written statement can be very powerful as it makes the person's views visible/concrete, and can be shown to others.

- *Public*. The more public your stand, the more reluctant you'll be to change it, for fear of appearing inconsistent. In a study, students were asked to make choices before being given conflicting data. Those who wrote down and signed next to their choices were the most unwilling to change their views, while those who didn't write down their choices were most willing to change them.

- *Effortful*. The more effort you've put into your choice, the more you will value and justify it. This is why tough initiation programs are so popular in tribal and fraternal societies—the more people have endure to secure their membership, the more they're committed to it.

- *Inner choice*. When we choose something without strong external pressures (i.e. huge rewards or huge threats), we feel more ownership of that decision and will stick to it willingly. However, if we believe that we did something just to get a reward or to avoid a threat, our fundamental self-image is unchanged and we'll drop these behaviors once the reward or threat is removed.

Once a firm commitment is made, there'll be **lasting changes** to our choices and behaviors. The commitment "grows legs" as we find new ways to justify it and make new choices in various situations to stay consistent.

KEY QUOTES

"There are certain disturbing things we simply would rather not realize… automatic consistency can supply a safe hiding place from those troubling realizations."

"Our best evidence of what people truly feel and believe comes less from their words than from their deeds."

"It appears that commitments are most effective in changing a person's self-image and future behavior when they are active, public and effortful."

"We accept inner responsibility for a behavior when we think we have chosen to perform it in the absence of strong outside pressures."

Unfortunately, **blind consistency** is often used against us.

- In *retail*, toy manufacturers may advertise certain toys during the Christmas season but understock them. Parents find themselves buying substitutes during Christmas, then getting another set of the originally-intended toys when they're are back in stock after Christmas—just to keep their promises to the kids.

- A common *sales strategy* is to secure a small (even loss-making) purchase, then use it to open the door for bigger sales. A deceitful salesperson may even offer an artificially low price, secure your commitment (with paperwork, trial runs etc.) before revealing at the last minute that there had been a mistake in the calculation or an omission.

- Organizations soliciting *donations* may use surveys to ask if you'd be willing to help collect funds for charitable organizations, or use pleasantries to get you to agree that you're feeling great. To stay consistent with your responses, you're more likely to agree later to contribute to the less fortunate.

- During the *Korean War*, many American soldiers were captured as prisoners-of-war (POWs) by the Chinese communists and successfully "converted" using the consistency principle. The Chinese initially got the POWs to make small, seemingly harmless statements like "The United States is not perfect", then progressively got them to make bigger commitments (e.g. listing down problems in America and even writing essays on them).

How to say no. The best way to avoid being manipulated is to become aware of it *before* we make a commitment.

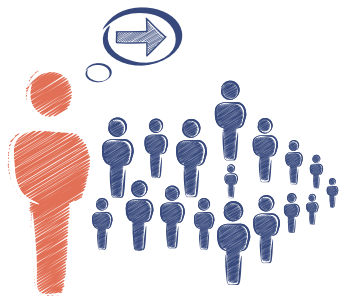
- If you feel unsure about a situation, *pause and ask*, "Knowing what I know now, if I could go back in time, would I still make the same choice?".

- Then, pay attention to the first *gut-impression* that comes to you, before your logic kicks in. If your gut feel is one of discomfort or uncertainty, put aside your inclination to stick to past commitments and take time to review the facts.

KEY QUOTES

"When it occurs unthinkingly, consistency can be disastrous."

Social Proof



When we're uncertain how to behave or react, we look to others for answers.

Generally, this **rule-of-thumb** is useful for quickly figuring out norms or acceptable behaviors. We assume that if lots of people are doing something, it must be correct.

This principle is being **applied widely** in our daily lives.

- For *example*, TV-shows and comedies use canned laughter because it's proven to make the audience laugh more and works even for lousy jokes. Clubs create artificially long queues to give the impression that they are packed. Advertisers use "fastest-growing" or "best-selling" to signal that certain products are popular. Tip jars and donation boxes filled with some money tend to encourage people to tip or donate more.

- This principle is the most powerful when we are emulating the behavior of *people who are similar to us*. That's why many testimonials feature the average-person-on-the-street.

- Social proof can even help to *overcome phobias*—children who were afraid of dogs overcame their fear after repeatedly watching a video of a child happily playing with a dog. The clips were more effective if they showed a variety of children playing with dogs.

"**Pluralistic ignorance**" is a phenomenon where a large group of people go along with something they personally disagree with, but incorrectly assume is acceptable because others also do it. In a tragic incident, a woman was attacked near her house for more than 30min and eventually killed with multiple stab wounds. 38 people watched the attack from their own homes, yet no one called for help until the woman was dead.

- *This happened because*: (a) when there are many people around, everyone assumes someone else will help, so no one takes action, and (b) when people around us seem calm and unflustered, we infer that the situation cannot be an emergency.

KEY QUOTES

"In general, when we are unsure of ourselves, when the situation is unclear or ambiguous, when uncertainty reigns, we are most likely to look to and accept the actions of others as correct."

"We will use the actions of others to decide on proper behavior for ourselves, especially when we view those others as similar to ourselves."

- Pluralistic ignorance is most common in *a large group of strangers*, who try to look poised and dignified in front of others. It's thus likely to occur in urban settings, which are confusing, populous, with people who are less familiar with one another.

- If you're ever caught in an emergency, the *best strategy* to get help is to (a) be clear and specific about the help you need and (b) assign 1 person in the crowd to take action, e.g. "You, sir, in the blue shirt. I'm having a heart attack. I need help. Call the ambulance now."

This copycat behavior or herd instinct is so strong that it can even extend to **aggression and suicide.**

- After news coverage of a black fighter losing a heavyweight championship, there was a marked increase in the *homicide* rate for young black victims (but not white victims) in the next 10 days. Likewise, when a white fighter lost a match, more young white men (but not black men) were killed in the next 10 days.

- More than 2 centuries ago, a German novel (in which the hero committed suicide) was banned after the story triggered a wave of *suicides* in Europe. Today, front-page suicide stories are usually followed by a spike in deadly accidents (which Cialdini believes are suicides masked as accidents so insurance payouts won't be forfeited). In fact, the profiles of drivers in the accidents match those of the news coverage. News articles about a young person's suicide are followed by a surge of accidents involving young drivers, while news about an older person's suicide are followed by a surge of accidents involving older drivers.

How to say no. It's useful to learn from others so long as the feedback is valid and valuable to us. Beware 2 types of social proof:

- *Intentionally-falsified social evidence*, e.g. fictitious testimonials, bogus statistics. Cialdini urges us to expose and take strong action against such tricksters so they can't continue to deceive others.

KEY QUOTES

"Your best strategy when in need of emergency help is to reduce the uncertainties of whose around you concerning your condition and their responsibilities."

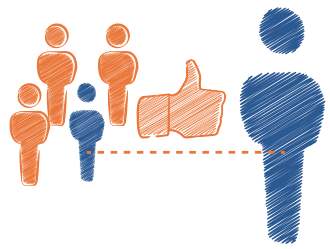
"The mentality of a herd makes it easy to manage. Simply get some members moving in the desired direction and the others…will peacefully and mechanically go along."

"The principle of social proof is so wide-ranging and powerful that its domain extends to the fundamental decision for life or death."

"Whenever possible we ought to sting those responsible for the rigging of social evidence."

- *Erroneous social evidence*, e.g. pluralistic ignorance or when certain actions/trends are replicated in a way that no longer makes sense. Periodically examine the evidence around you, like how a pilot monitors his instrument panel and environment instead of depending fully on the auto-pilot.

Liking



Generally, we're more likely to agree to someone's request if we know and like the person.

Friendships and personal relationships bring a sense of connection, safety and obligation, which influence our choices.

- *Tupperware parties* are a great example of how various weapons of influence are put to use. They evoke the *reciprocity* principle via upfront games and prizes, gain *commitment* by asking participants to share how they've used and benefited from Tupperware, offer *social proof* of people buying Tupperware at the parties and tap on the rule of *liking* by having your friend invite you to the party.

- A relationship can be leveraged even if the person is not physically present—one common tactic is through *referrals*. A salesperson gets a customer to admit that he/she likes a product, then asks for names of friends who'd also benefit from it. When the salesperson contacts the prospects, it's harder for them to say "no" to a friend's recommendation.

This principle works even if there are no established friendships—you simply need to **get someone to like you**. There are several factors that can predictably influence likability:

- *Physical attractiveness.* Good-looking people have an unfair social advantage because we unconsciously associate physical appeal with positive traits like talent, honesty, kindness, and intelligence. Attractive people are more likely to get help or change others' opinions. They even receive lighter sentences in criminal trials and higher-than-average compensations.

- *Similarity*. We tend to like people who are similar to us (in background, interests, opinions, age, religion, personality

KEY QUOTES

"An automatic-pilot device, like social proof, should never be trusted fully…it can sometimes go haywire by itself."

"The attraction, the warmth, the security, and the obligation of friendship are brought to bear on the sales setting."

"A halo effect occurs when one positive characteristic of a person dominates the way that person is viewed by others. And the evidence is now clear that physical attractiveness is often such a characteristic."

etc.). You can get someone to like you better simply by dressing like him/her or claiming to share similar interests.

- *Compliments*. When someone praises us, we tend to view him/her favorably, even if the praise is clearly inaccurate or comes with vested interests.

- *Contact and cooperation*. Generally, we like what's familiar. The more we're exposed to something, the more we're predisposed toward it, so long as (a) the exposure doesn't involve bad experiences (in which case familiarity can bring dislike) and (b) the other party seems to cooperate with us. Studies found that racial differences are more easily overcome when students of different races have to pool resources and cooperate to achieve a common goal. In law enforcement, the Good Cop-Bad Cop approach is commonly used to make the suspect like and cooperate with the "Good Cop".

- *Conditioning and association*. Our feelings toward people are affected by what we associate them with, e.g. we dislike people who bring us bad news even if they've not caused the news. That's why advertisers use celebrities and attractive models to associate their brands with beauty and desirability, and politicians try to associate themselves with positive news about job creation or advancement projects, even if they've not contributed to it.

All of us also unconsciously **associate ourselves with success** to look and feel good.

- People get emotional and defensive over their local or favorite *sports teams* because they associate themselves with the teams and take the wins and losses personally. On the day after a match, more people are likely to wear the winning team's jersey than the losing team's.

- We tend to use "we" when describing a *successful project*, and use "they" when describing a failure.

- Certain people (especially those with low self-esteem) tend to persistently *drop-names* to sound more successful or powerful.

KEY QUOTES

"We are phenomenal suckers for flattery… we tend, as a rule, to believe praise and to like those who provide it, oftentimes when it is clearly false."

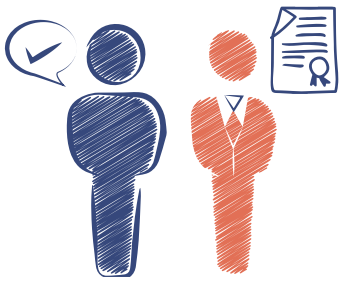
"An innocent association with either bad things or good things will influence how people feel about us."

How to say no. It's hard to stop yourself from liking others. Instead, learn to identify when someone is deliberately using the rule of likability on you.

- Once you *notice the feeling of strong liking* for someone, ask yourself: In the time that you've known this person, is there reason for you to like him/her as much as you do?

- Even if you realize you like the person more than you'd have expected, don't assume you're being manipulated. Instead, make a deliberate mental effort to *separate the person from the request* he/she is making.

Authority



Each one of us, to varying degrees, is wired to **obey figures of authority**.

- Structure and authority are an integral part of *how our society functions*; without it, there'd be confusion and anarchy.

- Authority also offers a *short-cut to decision-making*, i.e. we let others do the thinking for us and simply get rewarded for following orders.

However, **blind obedience** is obviously undesirable.

- In an *experiment*, participants were instructed by an authority figure in a lab coat to administer increasingly larger voltages to another person, to supposedly study the relationship between pain and learning. Most participants followed orders even when the voltages reached fatal levels on the meter and the subjects were screaming and begging them to stop. [In reality, no charges were released in the experiment.]

- Many studies also found that *doctors' orders* in hospitals are followed blindly, even when the instructions obviously didn't make sense.

There are several symbols that reliably trigger our compliance to authority, and can be used to **influence our choices and behaviors.**

KEY QUOTES

"In making a compliance decision, it is always a good idea to keep separate our feelings about the requester and the request."

"We don't have to think; therefore we don't."

- *Titles*. We respect titles that take years of hard work and successes to acquire. Yet, it's relatively easy for con-men to forge credentials, or artificially improve their perceived status through related factors like size, height or other outward signs of power.

- *Clothes*. People wearing guard uniforms and business suits have been found to exert more influence over others. When a man wore a well-tailored business suit, he had 3.5x more pedestrians following him when he jaywalked, compared to when he dressed in normal clothes.

- *Trappings*. Other symbols of position and status (e.g. jewellery, prestige cars) also affect how we perceive and react to others.

How to say no. The best way to neutralise this principle is simply to be mindful that authority symbols can be faked.

- *Scrutinize the source of authority*, bearing in mind that it's a common trick for compliance practitioners to admit to a small flaw or weakness just to appear sincere and honest.

- *Ask 2 key questions:*

  i. Is this authority truly an expert? Filter out hollow symbols and examine if the credentials are valid and relevant.

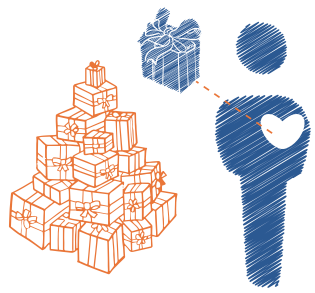
  ii. How truthful can I expect this expert to be? Consider if he/she is truly credible and objective.

KEY QUOTES

"Titles are simultaneously the most difficult and the easiest symbols of authority to acquire."

Scarcity

Generally, we perceive something to be more valuable when it's limited in availability.



Human beings value choices and freedom, and are naturally **loss-averse**, i.e. we are more motivated not to lose something, than to gain something.

We also use an item's availability to **gauge its quality.**

- We value something more *if we see its quantity reduced before our eyes*, compared to if it had been scarce from the

"When our freedom to have something is limited, the item becomes less available, and we experience an increased desire for it."

onset. Downtrodden people who've always lived in deprivation tend to accept their fate, whereas those who experience a period of improvement followed by a sharp decline are more likely to rise in a revolution. Children whose parents give them privileges without consistent rules also tend to become more rebellious.

- We desire something the most if it seems to be less available due to *demand or competition*. That's why advertisers play up "by popular demand" or show queues of people flocking to snap up their goods. Property agents deliberately arrange for multiple prospects to view a house simultaneously. Even romantic pursuits seem more intense if there's a rival involved.

- *Things that are banned* also tend to be more desired. When information is censored, people not only want the information more, but tend to believe it more. Juries who were told not to consider a piece of information in a trial ended up using it even more.

There are several common **sales tactics** used to scare prospects into buying immediately so they won't lose a deal. The salesperson may tell you that there's only a *limited number* of products left, that an opportunity or offer is *expiring soon* ("limited promotion ends today!"), or you have to buy *right now*, because the price will go up or the item will no longer be available.

How to say no. When we encounter scarcity, our emotions take over and we're less likely to evaluate the situation thoughtfully.

- The first step is to *become aware of your emotional arousal.* Learn to scan your inner reactions so you're alert when someone is deliberately rousing you using scarcity tactics.

- Then, *evaluate the situation in 2-steps*: (i) Stop and calm yourself first, then (ii) ask yourself why you want that item. Scarcity may increase the value of possessing something, but doesn't improve its utility, i.e. a cookie won't taste better or satisfy your hunger more just because it is scarce. If you're buying something for consumption, consider its utility value so you won't give it an irrationally high value.

KEY QUOTES

"Not only do we want the same item more when it is scarce, we want it most when we are in competition for it."

"We react to information restriction…by valuing the banned information more than ever."

"In each instance, the intent (is) to convince customers of an item's scarcity and thereby increase its immediate value in their eyes."

"The joy is not in experiencing a scarce commodity but in possessing it. It is important that we not confuse the two."

"We must remember that the item under consideration will function equally well whether scarce or plentiful."

Conclusion & Details in the Book to Look Out For

Each of these principles offer shortcuts to decision-making, but can also be used against us if we're not mindful. You can use the insights from this book to positively influence others and while protecting yourself from deception.

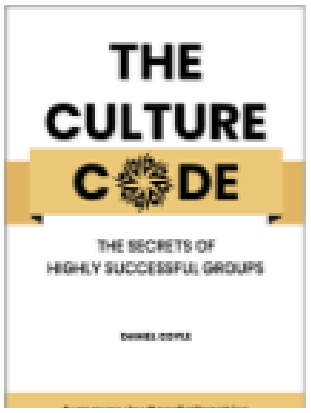
The book is full of detailed case studies and examples to explain each of the 6 principles, illustrate how and why they work, and how they can be used against us. For more details, please visit www.influenceatwork.com.

About the Author

Robert B. Cialdini (born 1945) is the Regents' Professor Emeritus of Psychology and Marketing at Arizona State University. He was previously a visiting professor at Stanford University, as well as at the University of California at Santa Cruz. Cialdini received his Bachelor of Science degree from the University of Wisconsin, earned his Ph.D. in Social Psychology at the University of North Carolina and received Postgraduate training in Social Psychology at Columbia University.

KEY QUOTES

"With the proper understanding of the nature of our opponent, we can come away from the compliance battlefield unhurt and sometimes even better off than before."



THE CULTURE CODE

The Secrets of Highly Successful Groups

DANIEL COYLE

The Big "So What"

Why do some groups perform at a level beyond the sum of their individual parts while others perform below that? The answer lies in their culture. In this book, Coyle demystifies how a great culture is formed and presents the code that you can use to create and sustain a great culture.

Introduction

Groups of business school students and kindergartners were challenged to build the tallest possible structure using uncooked spaghetti, tape, string and marshmallow. The business students discussed ideas and options, decided on a strategy and divided their tasks systematically. The kindergarten kids stood closely in a circle, started on the task without any strategy, and spontaneously exchanged ideas along the way. Surprisingly, the kindergartners built structures that were on average twice the height of the business students'. It turns out that group performance depends more on how people interact with one another than on their individual skills.

Does this apply universally for successful groups and cultures? How are great cultures built and sustained? To answer these questions, Coyle spent 4 years researching exceptionally-successful groups and comparing them with less successful ones.

- Specifically, he studied outstanding groups including San Antonio Spurs, U.S. Navy SEALs' Team Six, Zappos, Google, IDEO and Pixar. These groups were chosen as they had (i) the top 1% performance in their domain, (ii) a variety of employees, and (iii) a widely-admired culture.

- He found that these cultures stood out not because of the intelligence or skills of individual members, but because of their

KEY QUOTES

"Individual skills are not what matters. What matters is interaction".

"While successful culture can look and feel like magic, the truth is that it's not. Culture is a set of living relationships working towards a shared goal. It's not something you are. It's something you do."

relationships. These in turn were built on 3 critical skills: (i) building safety, (ii) sharing vulnerability, and (iii) establishing purpose.

- Using a story-telling style, Colye presents (i) highlights and stories from his research, (ii) related empirical studies and (iii) ideas on how you can nurture the skills in your groups. In this summary, we've distilled and re-organized the key ideas into 3 sections, each focusing on 1 of the 3 vital skills.

Skill 1: Build Safety

In great teams, members constantly send signals of connection that say "you're safe". Safety is like the glue that bonds people together, creating a sense of belonging and the foundation for risk-sharing, open debate/communication and learning.

Why safety matters

Human beings are social animals. Our subconscious brain is always on the lookout for danger—when we feel threatened, we instinctively move into a fight-or-flight mode to protect ourselves. However, when we feel safe and connected, we move into a social mode to forge closer ties with our group.

Cues > content. Such subtle cues are often more important than the actual content being communicated. Alex Pentland found that negotiations outcomes can usually be predicted within the first 5 minutes of the interactions based on dynamics such as the energy levels and vocal patterns. When entrepreneurs are pitching their ideas to business executives, the outcomes depend more on the cues being exchanged than the content being presented—the same business plans, when evaluated on paper without the social cues, produced vastly different outcomes.

People are naturally more positive when they feel connected to others who care about them.

- *Patients* who had attempted suicide were less likely to be readmitted if they received a postcard from the hospital after they were discharged.

KEY QUOTES

"The belonging cues sent in the initial moments of the interaction mattered more than anything they said."

"The content of the pitch didn't matter as much as the set of cues with which the pitch was delivered and received."

- If you approach a *stranger* on a rainy day and ask, "I'm sorry about the rain...can I borrow your cell phone?", you're 422% more likely to get a positive response than if you say, "Can I borrow your cell phone?"

- Adding this sentence can drastically improve the response to *feedback*: "I'm giving you these comments because I have very high expectations and I know that you can reach them." This simple statement conveys that you belong to a group with high standards and someone believes you can achieve them.

Active listening is an important ingredient to develop a deep connection and encourage people to open up. Neurologist Dr Carl Marci found that it's possible for the emotional arousal cues of 2 people to be perfectly synced. This typically happens when one person is listening attentively and responding authentically to the other person's emotions.

Safety in groups

Coyle observed that all great teams share a strong chemistry. Members tend to have close physical proximity (e.g. they're seated close together, share lots of fist bumps or hugs), focused communication (e.g. eye contact, attentive listening), and/or share short dynamic exchanges with lots of questions.

Such behaviors send vital "belonging cues" that make people feel psychological safe. Specifically, (i) *energy* is being invested in the interaction, (ii) people are being treated as unique and valued *individuals*, and (iii) they receive signals that there's a *future* to the relationship. Such cues add up to make people feel safe and connected with a sense of shared future with their group.

Belonging cues are vital when a new member first joins your group.

- WIPRO was one of the most successful call centres in India. However, in the late 2000s, staff started to leave in droves. They tried improving salaries and perks but nothing worked.

KEY QUOTES

"The most important moments in conversation happen when one person is actively, intently listening."

"Belonging cues are behaviors that create safe connection in groups."

- Then, in 2010, they did an experiment by varying the training for new hires. Specifically, new hires were split into 3 groups, with differences in just 1 hour of their training:

Control Group	Group 1	Group 2
Standard training	Standard training + 1 hr on WIPRO identity + sweatshirt with WIPRO logo	Standard training + 1 hr of sharing about each new staff and what he/she brought to WIPRO + sweatshirt with staff name next to WIPRO logo

- After 7 months, retention rates for Group 2 trainees were 250% and 157% better than Group 1 and Control Group trainees. By investing 1 hour to send belonging cues, WIPRO built a foundation to develop a sense of connection and identity amongst new hires.

How are strong relationships built? Gregg Popovich is recognized as one of the best National Basketball Association (NBA) coaches who shaped the San Antonio Spurs into a close-knit team with an unusually high win-lose ratio. We can learn a lot about safety and connection by observing him and the Spurs as a group.

- Popovich is a disciplinarian who'd relentlessly push his players to achieve the highest standards. At the same time, he goes out of his way to build deep bonds with every player. The process starts during recruitment, where he'd spend days with potential recruits and their families to get to know them personally. When he's with the Spurs, he speaks their languages, talks about their lives, touches them on the elbow, shoulders, arms and sometimes moves so close that they're nose-to-nose. Players don't just connect over basketball; they watch documentaries together and discuss issues ranging from voting rights to terrorism.

- When asked to name their biggest team moment, most of the Spurs pointed to a night in 2013 when they suffered one of their worst defeats. Instead of reprimanding the players, Popovich reached out to each person with hugs, smiles and appreciation. People talked, cried, got past the loss and reconnected as a team.

KEY QUOTES

"Group performance depends on behavior that communicates one powerful overarching idea: We are safe and connected."

"There are bigger things than basketball to which we are all connected."

"In a moment that could have been filled with frustration, recrimination, and anger, he filled their cups."

In strong cultures, it's also common for people from all walks to mix regularly in close proximity.

- Zappos' CEO Tony Hsieh firmly believes in designing spaces and systems for "*collisions*", i.e. helping people to meet and connect in a way that generates energy and possibilities. As a leader, he doesn't give direct advice or instructions; he connects you with the right people so you can figure out the answers you need.

- MIT professor Thomas Allen found that desk-arrangements affect the level of visual contact and social connection, to indirectly affect team cohesiveness. When the *distance between people* falls below 8m, communication frequency increases exponentially. However, when people are vertically separated on different floors, they become alienated.

Ideas for building safety and connection

Building safety is more of an art than a science. The only way to recognize subtle cues/patterns and know the right signals to send at the right time is to learn it through real-life interactions. Here are several ideas we can glean from the outstanding cultures:

Create safety and connection in communication:

- Use a range of signals to *show you're listening*, e.g. maintain eye contact, lean your body forward, nod regularly. Don't interrupt.

- *Share your fallibility* (e.g. your fears and concerns) upfront, especially if you're the leader. This creates a connection and makes it less threatening for others to speak up. Use phrases like "that's just my view and I may be wrong" or "what am I missing?"

- *Welcome bad news* so people feel safe to share the truth.

- *Say "thank you"*. These 2 words make people feel appreciated and create a sense of connection.

- *Don't use "sandwich feedback"* to insert a criticism between a positive open and close. Separate recognition/praises from targeted feedback sessions.

KEY QUOTES

"Hsieh has built a machine that transforms strangers into a tribe."

"Proximity functions as a kind of connective drug. Get close and our tendency to connect lights up."

"Interruptions shatter the smooth interactions at the core of belonging."

"Thank-yous aren't only expressions of gratitude; they're crucial belonging cues that generate a contagious sense of safety, connection, and motivation."

- *Ensure everyone is heard* using process, rules and norms, e.g. make it a rule that everyone must share something at a meeting, or anyone can bring up any issue to senior leaders.

- *Have fun*. Laughter is a powerful signal of safety and connection.

Send belonging cues consistently to build safety and identity:

- *Be rigorous in your hiring process*, as it sends a strong signal on what it means to be part of the group.

- Establish a link between *where people are vs where they can be*. Show how others have succeeded e.g. "5 years ago, he was standing in the exact same spot where you are".

- *Define your boundaries*. Every strong culture has behaviors that are unacceptable. Name yours explicitly.

Design spaces and systems for consistent belonging cues:

- *Create spaces for people to collide*. Design your offices in a way that facilitates spontaneous meetings between staff from all levels and departments, e.g. having shared corridors and common cafes. When the Bank of America aligned team members' schedules so they could have joint coffee breaks, productivity improved by 20% and turnover decreased by 28%.

- When people first join your group, they quickly decide if they belong. *Use "threshold moments"* to help people feel like they're part of something bigger. For example, on their first day of work, all new hires at Pixar are given the directors' seats in the screening theatre and told "Whatever you were before, you are a filmmaker now. We need you to help us make our films better."

Skill 2: Share Vulnerability

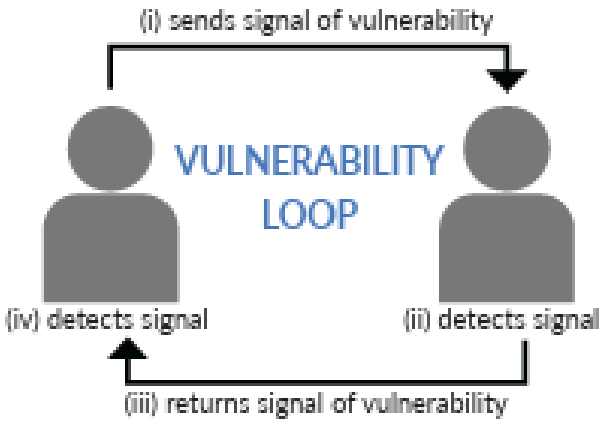
In strong teams, members show their weaknesses, share honest feedback, embrace uncomfortable truths and share risks. This creates a foundation of trust and builds the muscles for cooperation.

KEY QUOTES

The Vulnerability Loop

Vulnerability is about sending a clear signal that you need help.

- It can build trust and cooperation so long as the receiving party detects the signal and returns a vulnerability signal (vs pretending to have no weakness). This creates a *vulnerability loop* and a sense of mutual-need.



- Studies found an inverse relationship between *vulnerability and cooperation*. The greater someone's perceived power, the less willing they are to cooperate.

It's uncomfortable to ask for help or get candid feedback. Yet, this is required in order to deepen trust and solve problems. In all successful cultures, Coyle found leaders, catalysts, systems and/or practices to build risk-sharing and candor in the group.

- The U.S. Navy SEALs are known for their close-knit teams that operate seamlessly with decentralized control. Such deep bonds are forged from the onset in their week-long selection program, *Hellweek*. Every aspect of the training is team-based, with officers going through the training alongside recruits. Recruits go through such extreme levels of pain and fear that they can't survive unless they fully trust and work with their teammates. Through shared perils, SEALs learn to open up, forge close ties and understand one another so well that they can communicate with just a look or a subtle shift in body language.

- After every mission or training, SEALs hold *after-action reviews (AARs)* to unravel what truly happened. People candidly share why they did/didn't take certain actions, the mistakes they made, and how each person can specifically improve in future. Such AARs are led by the enlisted men (not the commanders), with the goal of allowing people to learn from one another's experiences and mistakes. Over time, the teams form a shared mental model for the future and can operate like a single organism.

KEY QUOTES

"Being vulnerable together is the only way a team can become invulnerable."

"These groups are cohesive not because it's natural but because they've built, piece by piece, the shared mental muscles to connect and cooperate."

"Vulnerability doesn't come after trust—it precedes it. Leaping into the unknown, when done alongside others, causes the solid ground of trust to materialize beneath our feet."

"These awkward, painful interactions generate the highly cohesive, trusting behavior necessary for smooth cooperation."

- Since 1995, Pixar made 17 feature films (e.g. Toy Story, Cars), all of which became hits. This comes from a rigorous process of refining each movie. *BrainTrust meetings* are a critical part of this process—veteran directors and producers gather to watch the latest version of a work-in-progress movie and share their feedback. For this to work, the film director must be willing to hear the hard truths (e.g. the characters lack depth, the plot is confusing) while the other veterans must put aside their egos to focus solely on improving the movie.

- IDEO (which has won the most design awards for companies) uses *tools and questions* to help teams to uncover underlying tensions and trigger creativity. To send signals of vulnerability and connection, team members are encouraged to use statements like: "The 1 thing that excites me about this project is....", "I confess, the 1 thing I'm not so excited about this project is....", or "What I'd really like to get better at is..."

Ideas for sharing vulnerability and building trust

It takes time and effort to build candor and shared vulnerability, during which the process can seem painful and inefficient. Be patient and embrace the process.

Don't assume cooperation will happen naturally. Send intentional signals for cooperation:

- Deliberately *communicate expectations* of cooperation.

- *Leaders should send vulnerability signals first and often*, e.g. "I screwed up there" or "I'm scared about our future". Former Googler Lazlo Bock suggests that leaders ask 3 questions: What's 1 thing I currently do that you'd like me to continue? What's 1 thing I don't currently do often enough that you'd like me to do more frequently? What can I do to help you be more effective?

- Leaders should *show you're in it with the rest of the group*, be it doing menial tasks like picking up the thrash, or doing away with executive perks like allocated parking lots.

KEY QUOTES

"All our movies suck at first...The BrainTrust is where we figure out why they suck, and it's also where they start to not suck."
-Ed Catmull

"Building habits of group vulnerability is like building a muscle. It takes time, repetition, and the willingness to feel pain in order to achieve gains."

- Focus on *2 crucial moments* in new group formation. During the first incident of vulnerability, show a willingness to explore weaknesses (not hide them). During the first disagreement, welcome alternative viewpoints (not defend your views).

Master the art of communication.

- When *listening*, be like a trampoline: absorb what's being communicated, offer support and energy to bring the conversation and the other party to a higher level. Use gestures and affirmations to encourage the other person to keep sharing. Refrain from interrupting or jumping in with your suggestions.

- *Address negative issues in person*, not via electronic means.

- Use *language* to send the right signals, e.g. IDEO's call their project managers "design community leaders".

Nurture personal growth and mutual understanding:

- Leaders should *step back often* to let members work out solutions on their own.

- Give *targeted feedback* instead of personal judgements. Handle performance reviews (which involves judgement and compensation) separately from professional development (which involves strengths-use and support for growth).

- Use "*flash mentoring*", i.e. shadow someone for a few hours to learn from them and cultivate understanding.

Develop practices to encourage candor. The goal is to help team members to open up, share vulnerabilities and jointly figure out what works and doesn't work. Here are some models you can use:

- *SEALs' After-Action Reviews (AARs)*. Use these questions to review what happened in a project: What were our planned results? What were our actual results? What caused these results? What should we do similarly or differently next time? Ideally, have your team members run the AARs without leadership involvement. You can also use Before-Action Reviews to prepare yourselves for possible challenges.

KEY QUOTES

"Good listening is about more than nodding attentively; it's about adding insight and creating moments of mutual discovery."

"The goal of an AAR is not to excavate truth for truth's sake, or to assign credit and blame, but rather to build a shared mental model that can be applied for future missions."

- *Pixar's BrainTrust*. Have experienced leaders come together to share feedback for another colleague's project, but refrain from sharing solutions so the project leader still has full ownership.

- *Red-Teaming*. Form an independent "Red Team" to develop counter-strategies to your plan—this brings up alternatives that your team may not otherwise anticipate.

Skill 3: Establish Purpose

Strong cultures use stories, language and behaviors to reinforce their purpose and shared values. People are constantly reminded about the direction they're going, what they stand for and where to focus their efforts.

In most groups, people lack clear direction. In an Inc. magazine survey of 600 companies, 64% of the executives predicted their staff could name the company's top 3 priorities, when in reality only 2% could. In strong cultures, such priorities and goals are explicitly named and reinforced through countless signals, so people are absolute clear on where they are and where they want to be.

Stories and narratives are powerful tools to help people connect their daily work to a shared future.

- Psychologist Adam Grant did an intervention at a call center where workers phoned university alumni for scholarship donations. After he got scholarship recipients to share how the donations impacted them, the call center staff spent 142% more time on the calls and weekly revenues increased by 172%.

- In 1943, the founder of Johnson & Johnson (J&J) wrote a 311-word credo that described its relationship with each and every stakeholder group. 3 decades later, senior leaders intentionally reviewed if the credo was still relevant and decided to recommit to it. Then, in 1982, 6 people died after consuming Extra-Strength Tylenol capsules laced with cyanide, triggering a major PR crisis. J&J leaders used the credo as a guide to make hundreds of tough decisions—they recalled every Tylenol product from the market, introduced

KEY QUOTES

"The real courage is seeing the truth and speaking the truth to each other."

"High-purpose environments are filled with small, vivid signals designed to create a link between the present moment and a future ideal."

"Purpose isn't about tapping into some mystical internal drive but rather about creating simple beacons that focus attention and engagement on the shared goal."

"Stories are not just stories; they are the best invention ever created for delivering mental models that drive behavior."

new tamper-proof packaging and proactively engaged stakeholders. Their response was so sound and consistent that Tylenol eventually recovered its market share and this became a widely-cited case-study for corporate crisis management.

Artifacts are also a vital part of cultural reinforcement. The SEALs HQ is full of items to commemorate fallen SEALs, the Pixar HQ is filled with life-sized Pixar characters, and KIPP schools are full inspiring words like "Where will YOU go to college". These are beacons to remind people of (i) where they are and (ii) where they want to go. When people can see the specific challenges they must overcome to reach their desired future, they're more motivated to take concrete steps to make things happen.

Shared meaning affects group behaviors and how quickly people learn and improve as a team. Researcher Amy Edmondson studied surgical teams that were mastering a new heart surgery technique. She found that the teams' rate of learning wasn't affected by their prior experience or organizational support. Teams that mastered the technique most quickly shared 5 signals: (i) they *framed* the task as a learning experience (not a chore), (ii) members were told why they each played a vital *role*, (iii) they did detailed *rehearsals*, (iv) members were coached to *flag out problems*, and (v) the teams reviewed their results and areas for improvement.

Building Proficiency vs Creativity

To create a high-purpose environment, you must first know if/where you need to build proficiency vs creativity in your group. Proficiency is about performing a task consistently while creativity is about empowering people to create something that doesn't yet exist.

To develop proficiency, you need a blueprint with crystal-clear directions and checkpoints—such as rules of thumb, rewards for skills attainment—to show how to get from Point A to Point B.

KEY QUOTES

"Motivation is not a possession but rather the result of a twopart process of channelling your attention: Here's where you're at and Here's where you want to go."

"High-proficiency environments help a group deliver a well-defined, reliable performance, while high-creativity environments help a group create something new."

- In nature, colonies of ants/bees can organize themselves using a series of simple *decision-making heuristics*. Likewise, human groups can use heuristics to guide collective behaviors. The key is to help people to connect with the ideas, e.g. using catchy phrases, vivid images, and ensuring leaders lead by example.

- 80% of New York restaurants fail within 5 years. Yet, in 30 years, Danny Meyer opened 24 successful restaurants out of 25. His restaurants are known for their warm and homely service. The staff go out of their way to notice customers' preferences and pass the info on to other restaurants to ensure the same personal touch. Meyer achieved such high, consistent service standards by *using language to teach behaviors*. After opening his 2nd restaurant, he invited all his staff to a retreat where they defined their top values and core purpose—"We take care of people". Meyer explicitly named the desired behaviors using maxims and catch-phrases like "make the charitable assumption" (i.e. give people the benefit of the doubt), "collect the dots" (i.e. gather info about guests) and "connect the dots" (i.e. use the info to create happiness).

- New Zealand's All-Blacks rugby team uses phrases like "pressure is a privilege" or "go for the gap". KIPP uses catchphrases like "no shortcuts" or "if there's a problem, we look for the solution". These heuristics help the high-proficiency groups to capture their core priorities and behaviors in *simple, memorable terms*.

To develop creativity, you need to provide support, tools and resources to allow people to explore and arrive at an unknown destination. This includes making it safe to fail, protecting creative autonomy, and rewarding initiative.

- Winning creations don't come from a flash of brilliance, but a *series of deliberate steps* to filter out ideas with potential, and to shape a raw unviable concept into a great one.

- Coyle found that the leaders of creative cultures tend to be quiet, observant, and systems-oriented—they're "*creative engineers*", not artists. Ed Catmull, president and co-founder of Pixar, is such a leader; he focuses on helping others to discover their potential rather than telling them what to do.

KEY QUOTES

"The trick is not just to send the signal but to create engagement around it."

"Building purpose in a creative group is not about generating a brilliant moment of breakthrough but rather about building systems that can churn through lots of ideas in order to help unearth the right choices."

Pixar spent years developing systems to methodologically polish their films. In fact, most of the final movies are totally different from the original drafts. Catmull, too, has his own mottos like "hire people smarter than you" and "fail early, fail often".

Ideas for Establishing Purpose

Explicitly name your priorities, values and purpose.

- Review and *recommit* to them regularly.
- Use *artifacts, stories and narratives* to bring ideas to life.
- Define *1 measure per role* to highlight what truly matters. For example, Zappos' call center measures Personal Emotional Connections instead of the number of calls handled. This simple measure guides staff to focus on creating bonds with customers rather than rushing through the calls.

Shape behaviors with simple heuristics and keep reinforcing them. Such signals may seem cultish or corny to external parties, but are an effective reminder to create internal clarity for your group.

- *Define behaviors* that set the bar and tell stories about them repeatedly.
- *Use catchphrases*, e.g. Zappos' "create fun and a little weirdness" or IDEO's "talk less, do more".

Identify where you need proficiency vs creativity in your group, and build the right environment and infrastructure to support them.

Other Details in the Book to Look out For

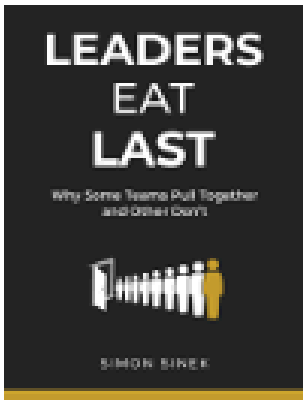
In this summary, we've distilled the key ideas and tips for each of the 3 vital group skills. In the book, Coyle also presents many other vivid examples of groups ranging from armies to airline crew, comedy groups, jewel thieves and soccer hooligans. For more details, please visit http://danielcoyle.com.

KEY QUOTES

"High-purpose environments don't descend on groups from on high; they are dug out of the ground, over and over, as a group navigates its problems together and evolves to meet the challenges of a fast-changing world."

"What seems like repetition is, in fact, navigation."

"The goal here is not precision; it is to create awareness and alignment and to direct behavior toward the group's mission."



LEADERS EAT LAST

Why Some Teams Pull Together and Others Don't

SIMON SINEK

The Big "So What"

Leadership isn't just about managing numbers. It's about helping people to thrive and find meaning in their work. When leaders take care of their people, the numbers will take care of themselves. Unfortunately, many leaders and organizations seem to have lost sight of this fundamental truth. In this book, Sinek explains where we've gone wrong, and puts out an urgent call for real leaders to step forth to make a positive difference.

KEY QUOTES

"The true price of leadership is the willingness to place the needs of others above your own."
—LTG George Flynn (Ret)

Introduction

A company's biggest strength doesn't lie in its products/services. It always lies in its people—in their ability to cooperate closely and rally behind the organization, especially during a crisis.

"The best companies almost always make it through hard times because the people rally to make sure they do."

However, loyalty and commitment must be earned. Today, work has become a contractual, transactional relationship in many organizations. Intense competition and layoffs are the norm. Hardly anyone believes in loyalty to a company anymore, much less lifetime employment. Mercer found that over 6 months, one-third of employees considered leaving their jobs, though only <1.5% actually did so voluntarily. People who're unhappy with their work perform sub-optimally and are more prone to depression and anxiety. Yet, they'd rather stay in their jobs rather than risk the uncertainty of a new environment.

"Our intelligence gives us ideas and instructions. But it is our ability to cooperate that actually helps us get those things done."

What does it take for leaders to inspire true loyalty and outstanding results? In this summary, we'll address this in 3 parts:

- The human need for safety;

- A society out of balance; and
- Becoming a leader.

Part 1: The Human Need for Safety

Humans beings thrived as a species because our brain's neocortex allows us to create, invent, plan, and organize ourselves in complex ways to pass on knowledge and shape our environments. Our survival hinges on our ability to operate in social groups. During prehistoric ages, humans depended on their tribes for food, shelter and protection. Even though our environments and organizations have changed drastically, our biological makeup still remains similar.

The 4 Chemicals (E.D.S.O.)

Each of us is concurrently an individual and a part of social groups. For example, Jane may have her own interests and ambitions, but she's also a member of her family, an American, a Man-U fan etc. We make daily decisions that require us to weigh our self-interests against group interests.

This dilemma also happens in our bodies via 4 key chemicals:

- *Endorphins* are released when you're exercising or laughing. They produce a temporary "high" and numb your pain, so you can relax and/or give yourself a boost.
- *Dopamine* delivers a sense of satisfaction when you find/get what you're looking for, e.g. when you accomplish a goal. This encourages you to find/develop solutions, achieve results and repeat what works, thus driving progress. The bigger the achievement, the greater the satisfaction.
- *Serotonin* brings feelings of pride, strength and confidence when we're liked or respected by others. This is why we crave others' approval and seek awards/recognition. We also feel grateful or obliged to people who've helped us to succeed. When you contribute to others, you gain status and respect.

KEY QUOTES

"We are at our best when we face danger together."

"Human beings exist as individuals and as members of groups at all times. I am one and I am one of many . . . always."

"During tense times, a little lightheartedness may go a long way to help relax those around us and reduce tensions so that we can focus on getting our jobs done."

"Oxytocin and serotonin grease the social machine. And when they are missing, friction results."

- *Oxytocin* comes with the feeling of deep trust, friendship or love. It's the reason we crave human connections and a sense of belonging. Unlike dopamine (which is more about instant gratification), oxytocin has a longer-lasting impact. It's triggered via physical contact (e.g. hugs, hand-shakes, high-fives) or when we help others. When we trust someone, we're more likely to open up to them, share and cooperate, which in turn triggers more oxytocin to deepen the bonds. Oxytocin brings many health benefits including improved immunity and a longer lifespan.

The 4 chemicals are Nature's way to help us survive, by balancing our personal drive and social needs.

- Endorphins and dopamine drive us to *satisfy our personal needs*, e.g. to find food/shelter, develop solutions and persevere through problems. They help us to get things done so we can survive.

- Serotonin and oxytocin encourage us to *work together with others*. They build feelings of trust, camaraderie and loyalty, strengthen our social bonds and increase our inclination to cooperate with others to achieve what we can't on our own.

- On the other hand, *Cortisol* is the stress-related hormone that's triggered when we sense danger. It keeps us in a heightened state of alertness until the danger has passed. It's not meant to stay in our system for a prolonged period, since it reduces our focus, cognitive abilities and immunity, while increasing our aggression and blood pressure. When we're stressed, Cortisol floods our systems to (i) hinder the release of oxytocin (making us less empathetic and more selfish) and (ii) damage our health.

Traditionally, our family provides a Circle of Safety where we feel safe and supported. Inside the circle, we have a healthy balance of E.D.S.O. and low Cortisol levels.

- In organizations, the Circle provides people with a sense of *belonging and security*. People feel valued and cared for, and trust that others will act in their interests. This facilitates communication, cooperation, problem-solving and innovation, allowing people to direct their attention to external threats and opportunities.

KEY QUOTES

"Whereas oxytocin boosts our immune system, cortisol compromises it."

"Stress and anxiety at work have less to do with the work we do and more to do with weak management and leadership."

- By contrast, when people feel threatened by *internal politics and infighting*, they turn their attention inward to focus on self-preservation, making the group more vulnerable as a whole.

Hiring someone should be like adding a new member to your family. You must set stringent standards for the type of people you'll accept. Once they're a part of the family, you don't simply kick them out when the going gets tough. You must give loyalty to earn loyalty.

- Technology company *Next Jump* made the bold move to declare a lifetime employment policy. This forced them to be extremely selective about who they hired and to commit to each employee's growth and success. Next Jump's average revenue grew from 25% to 60%, and turnover for their engineers fell from 40% to 1%. Their top employees stayed with the company even when they were offered jobs by Google or Facebook.

- When the stock market crashed in 2008, *Barry-Wehmiller* didn't simply lay off people. They confronted the challenge as an organization, with everyone taking 4 weeks of unpaid leave. People survived the crisis together and became fiercely loyal to the company and its leaders.

The Role of Leadership

To function effectively, all social groups need hierarchies and leadership. And in any culture, some people will have more authority and privileges than others. In fact, we value symbols of success, power and strength, seek to move up the social ladder and gain others' respect.

KEY QUOTES

"Being a leader is like being a parent, and the company is like a new family to join."

"Cooperation and mutual aid work better than competition and rugged individualism."

- *Leadership is a responsibility*, not an entitlement. True leaders earn their place by making personal sacrifices for the community. Leaders who protect their people are in turn accorded respect and perks. Leaders who further their own interests without looking after their people violate those expectations.

- Weak leaders create fiefdoms and distrust by focusing on their own interests and those of a privileged few in their inner circle. *Strong leaders* include everyone in the Circle of Safety. The larger the organization, the more crucial it is for leaders to (i) establish clear standards for how people can enter the Circle, and (ii) keep expanding the Circle.

Trust must be reciprocal. It's not about shared opinions, but a belief that the other party is willing to put your well-being first. Leaders must make the most sacrifices and be willing to eat last.

- Great leaders train people, equip them with tools, skills and confidence, then step back and trust their people to do what they should. This includes *knowing when to break the rules* for the safety and good of the community.

- On the other hand, when leaders insist on *rigid rules and controls*, people end up following the rules just to stay out of trouble, instead of finding creative ways to achieve the mission.

Part 2: A Society Out of Balance

Each of the 4 E.D.S.O. chemicals play important roles in our survival. When they're in balance, people thrive the way they're designed to, and their groups/organizations thrive too.

Unfortunately, the modern workplace tends to be flooded with Cortisol and dopamine-addiction. We lack Circles of Safety and have become imbalanced due to several related reasons—abstraction, destructive abundance and social changes.

KEY QUOTES

"To earn the trust of people, the leaders of an organization must first treat them like people. To earn trust, he must extend trust."

"Trust is like lubrication. It reduces friction and creates conditions much more conducive to performance."

"We don't just trust people to obey the rules, we also trust that they know when to break them."

Abstraction and Dehumanization

In small traditional communities, it's easier to know one another, and to see/touch the things we use. However, today we're surrounded by global systems and virtual interactions which make things abstract and harder to grasp. Yale psychologist Stanley Milgram ran a series of experiments to understand the impact of abstraction and authority:

- "Teachers" (recruited from newspaper ads) were told to ask "students" (scientists pretending to be volunteers) a series of questions. Each time they got a wrong answer, the teachers administered an electric shock in progressively higher voltages. Whenever a teacher expressed concern, a "scientist" standing behind would urge them to continue the experiment.

- The students pretended to show signs of discomfort and eventually screamed for the teachers to stop. There were 3 variations: (i) where the teacher personally placed the student's hand in the shock plate and could see/hear the student's reactions, (ii) where the teacher could only hear the student's reactions from a separate room, and (iii) where the teacher couldn't see/hear the student's reactions at all.

- In the first 2 variations, most of the teachers refused to continue after a while. But in the last variation, 65% completed the experiment, even though the voltages they administered would've clearly been dangerous or fatal. In addition, none of those teachers asked about the students' welfare—they were only concerned with absolving themselves of blame (e.g. justifying that they were merely following orders).

This experiment shows how dangerous abstraction can be. When we don't see/hear the people we affect, we're capable of monstrous acts.

- As organizations get bigger and more global, *people get reduced to a metric or a label*. We think of people as "customers", "employees" and "shareholders", not individual human beings. When we can't see/hear the impact of our actions on others, we feel detached from the consequences.

KEY QUOTES

"By its very nature, scale creates distance, and at distance, human concepts start losing their meaning."

"The more abstract people become, the more capable we are of doing them harm."

"When we divorce ourselves from humanity through numerical abstraction, we are...capable of inhuman behavior."

We're more likely to act selfishly (e.g. cut corners or tell half-truths to achieve our goals) or even hurt others directly.

- In weak cultures, this is worsened by people *blindly following orders* and hiding behind excuses like "there's nothing I can do" or "this is company policy". Leaders can also get so lost in metrics and systems that they forget to lead people.

Destructive Abundance

We only value something if it's scarce and we must work hard for it. Today, we have electricity, food, clean water, roofs over our heads, and so many tools (from computers to air travel) that we take things for granted. We live with such excesses that 50% of food globally is wasted, both in the developing and developed world.

Throughout history, when a group moves from scarcity to surplus, those with the most resources will try to shape their environment to protect their own interests, e.g. large corporations lobbying for legislation to keep out competitors. This often ends with "destructive abundance", where the players are so preoccupied with winning that they forget why they're in the game to begin with.

Many leaders have become so blinded by commercial interest that they've forgotten who they're supposed to serve. For example:

- In 1933, the *Banking Act* was passed to mitigate speculation and risk-taking in the industry, after half the banks in US collapsed in the 1929 stock market crash. Unfortunately, those laws were repealed in 1999 after heavy lobbying by the banking industry. The 2008 crash occurred because of reckless risk-taking by financial institutions which could've been prevented if the Act was still in place.

- *TV news* used to be about causes and presenting opposing viewpoints. With the removal of the Fairness Doctrine in 1987, news organizations now prioritize stories that drive viewership and ad revenues, instead of truly important or balanced news.

KEY QUOTES

"The end users....become so far removed from the people who mean to serve them that they simply become just another metric to be managed."

"Abundance destroys value."

"In healthy organizations, as in a healthy society, the drive to win should not precede the desire to take care of the very people we claim to serve."

Social Changes

The Boomer Generation. In the 1950s, it was common for people to work for 1 company for life and be rewarded with a pension upon retirement. This was also the start of the post-WWII Baby Boom.

- The Boomers grew up in a time of growth and prosperity, unlike their parents who had suffered economic depression and war. They rebelled against their parents' values of hard work and loyalty, advocated *free choice and individualism*, and distrusted the government.

- By the 1980s, the Boomers had matured and were holding influential positions. Their *cynicism and self-centeredness* shaped business, politics and economies. People had grown used to a lifestyle of excesses and were preoccupied with safeguarding their accumulated wealth and affluence. They also developed the habit of using *disposables*, from cameras to contact lenses. Before long, people become disposable too.

- In 1981, President Ronald Reagan fired >11k air traffic controllers who'd gone on strike. This sent a strong signal that *mass layoff* was an acceptable solution to economic disruption. Since then, layoffs (which used to be a measure of last resort) became increasingly common across all sectors.

- Progressively, *commercial interests* were prioritized over people's loyalty and cooperation. Past contributions and hard work no longer guaranteed long-term employment, and people no longer felt the same commitment to their companies.

The Dopamine-Addicted Generations. The Boomers in turn brought up the Gen-Xers and Gen-Ys. Both generations grew up in times of abundance, believe they can get whatever they want, and suffer from dopamine-addiction.

- *Gen X* is addicted to performance. Many grew up before the internet revolution, seeking bigger salaries, titles, houses, cars and success symbols.

KEY QUOTES

"If Boomers get their dopamine from goals oriented around "more" and "bigger," then Gen Y is getting their dopamine from anything that satisfies "faster" or 'now.'"

- Gen Y is addicted to social media and technology. They're chronically impatient, being so used to instant gratification (e.g. online purchases and live messages) that they also expect instant success and fulfillment. They're used to excessive consumption and are constantly distracted. Gen Ys also feel isolated and lonely. They seek connections and affirmations through virtual relationships which simply don't provide the same fulfillment from deep, trusting and face-to-face connections.

Part 3: Becoming a Leader

Today, we're surrounded by abstraction, destructive abundance, and dopamine-addiction. We're out of balance, and the trend will only get worse as technology progresses and Gen Ys mature to take on leadership roles.

- Our *younger generation* is so used to relying on social media, online support groups and drugs to cope with problems that they don't even know how to build the real human connections needed for their survival and well-being. They often try to solve problems by creating awareness instead of investing time/effort to understand people and get things done.

- People are also feeling increasingly *isolated* without Circles of Safety. Suicide rates in America have risen so sharply in the last decade that more people are now dying of suicides than car accidents.

The good news is: since we're the source of this problem, we can also fix it. Leaders have the power to create Circles of Safety and positive work environments. All it takes is a *decision* to do so.

5 Rules for Overcoming Abstraction

When we read about 1 person's suffering, we tend feel empathetic. When we read about disasters that involve thousands, we feel distanced. That's the difference between looking at people vs numbers.

KEY QUOTES

"The plight of others is not a technology problem; it's a human one. And only humans can solve human problems."

"We are not victims of our situation. We are the architects of it."

"The death of one man is a tragedy. The death of a million is a statistic."
—Joseph Stalin

Bring people together to build real relationships. The internet is good for quick communication and simple relationships. But, no amount of virtual interactions can replace our need for face-to-face connections and deep human bonds. That's why bloggers still attend conferences, and why we go for sports matches and concerts. People also tend to behave differently online, since the anonymity accorded by the internet distances them from the consequences of their actions. Make virtual relationships real by bringing people together physically.

Keep groups manageable with Dunbar's 150 rule. Professor Robin Dunbar found that human beings can only handle about 150 close relationships at any point in time. Even if you have a huge virtual network, you'll only know a small group of people well, and you're more likely to help those whom you know personally. In large organizations, it's impossible to know everyone. Empower managers at every level to personally care for and take responsibility of the people in their charge. Instead of 1 big Circle of Safety, build smaller Circles (≤150 each) in multiple layers.

Meet the people you serve. A university raised 4x more money after scholarship recipients shared with the fund-raisers how they've been impacted by the scholarships. When people can see how their work helps others, they're motivated to work harder and better.

Give people time, not just money. During a rough patch, you'd appreciate a friend who gives you money, but you're more likely to remember a friend who spends time and effort to help you. That's because money is still an abstract concept. However, everyone only has 24 hours a day, so any time spent with/on you is a clear sacrifice. However, for the time to matter, it must come with commitment. e.g. it doesn't work if you're with someone but are messaging on your phone the whole time.

Relationships take time. It can take anything from 7 days to 7 years to get to know and trust someone. Be patient.

KEY QUOTES

Just as money can't buy love, the Internet can't buy deep, trusting relationships."

"There is no such thing as virtual trust."

"The larger the group of people we work with, the less likely we are to develop any kind of trusting relationships with them."

"It makes sense for social animals that our sense of purpose is always human."

Overcoming Destructive Abundance

To build strong organizations, leaders must remember 5 key lessons.

Culture drives Results. When we identify with a group or culture, we adopt their shared beliefs and values, e.g. you start to think of yourself as a Harvard graduate, a Navy SEAL etc.

- In *strong cultures* with a strong identity, people feel a sense of pride and belonging and will do what's right for the group. The Taj Mahal Palace Hotel hired people for respect and empathy, and reinforced those values through training and rewards. They built such a strong culture of putting guests first that when terrorists attacked Mumbai in 2008, the Taj employees risked their lives to protect the guests.

- In *weak cultures*, people focus on their personal interests instead of group interests. In a culture plagued by mistrust, people withhold info and resources, keep others down and try to reap personal rewards. The organization suffers as a result. In the 1970s, Goldman Sachs was reputed for putting their clients' interests over short-term gains. But the culture had changed by the 1990s after they hired many aggressive bankers driven by wealth and status. By 2010, their reputation hit rock bottom due to their involvement in the mortgage-backed crisis.

Leadership drives Culture. A leader's true power doesn't come from his title, power or knowledge. Great leaders lead by example to share resources, empower others, flag out and resolve problems/mistakes openly, and create a safe space for people to focus on the organization's interests. Tyrants, on the other hand, are obsessed with their own power, wealth, and control. They try to protect themselves, only to create isolation, distrust and paranoia.

- Captain David Marquet transformed the Santa Fe from the worst to the best submarine in the fleet by nurturing leaders at all levels. He decentralized decision-making while equipping people with the skills, knowledge, and accountability for results. For example, instead of asking for permission ("Can I..."), he trained every crew member to share their intended plan of action ("I intend to..."). That

KEY QUOTES

"Just as our character defines our value to our friends, so too does the culture of a company define its value to those who know it."

"Responsibility is not doing as we are told, that's obedience. Responsibility is doing what is right."

"The goal of a leader is to give no orders...Leaders are to provide direction and intent and allow others to figure out what to do and how to get there."
—Captain Marquet

way, each crew member owned their actions yet leaders were still ultimately responsible for results.

Integrity matters. We must be able to trust our leaders to do what's right, and there can be no trust without integrity. Integrity is about firmly adhering to certain moral, artistic or other code/values. This includes honesty, owning up to your mistakes and ensuring your words are consistent with your actions.

- When the Titanic set sail in 1912, the laws hadn't been updated for large vessels. On paper, Titanic carried the minimum number of lifeboats required by law. In reality, they should've had 4x more lifeboats for their capacity. More than 1500 people died when Titanic struck an iceberg on its maiden voyage. Sadly, it's common for corporations to *deliberately exploit loopholes* for their commercial interests. It's like saying you can cheat on your spouse so long as you don't violate any marriage rules.

- In the U.S. Marines, you can only become an officer if you prove you have character. A key consideration is whether someone will take responsibility for their actions/mistakes proactively (not only if they get caught). *Genuine mistakes are acceptable, but dishonesty isn't.*

- Apply the *foxhole test*: Would you jump into a foxhole with the people you work with? Can you trust them with your life?

Friendship facilitates cooperation. When you see someone as an adversary, it's hard to work together. To improve an antagonistic relationship, all it takes is the opportunity for people to get to know one another as real people. Once people can see/listen to each other as human beings, it lays the foundation for cooperation.

- In the 1960s-80s, members of the Congress (both Democrats and Republicans) worked well together. Members interacted regularly after work hours and formed personal relationships that facilitated cooperation despite their political differences. However, the Congress become progressively divided since the 1990s. By 2008, the polarization was so acute that leaders were pointing fingers at one another instead of addressing the economic crisis.

KEY QUOTES

"Leadership is about integrity, honesty and accountability. All components of trust."

"When we cannot trust the very people who are supposed to be responsible for us, bad things occur."

"Cooperation doesn't mean agreement, it means working together to advance the greater good, to serve those who rely on our protection, not to rack up wins to serve the party or ourselves."

- Several progressive Congress leaders tried to bridge the gulf by arranging for members to meet over a series of retreats. The friendship between Democrat Steph Sandlin and Republican Bob Goodlatte also facilitated cooperation between 2 groups.

Lead People, not Numbers. In theory, when companies focus on maximizing profits and shareholder value, they'll create more jobs and economic growth. In reality, long-term success comes from serving a wider goal and building the right foundations, not directly focusing on numbers.

- In the 80s and 90s, famous leaders like Jack Welch (General Electric) and Roberto Goizueta (Coca-Cola) started to build companies that maximized shareholder value. This was the start of an era of billionaire CEOs, where *a small group of shareholders and executives often benefitted* at the expense of others.

- At the extreme, executives cut corners/expenses or even manipulated the accounts to *drive short-term numbers*. People became expendable resources, survival instincts kicked in, cultures deteriorated and results tanked in the long run.

- Truly great leaders don't just drive results during their tenure—they build *lasting organizations* that continue to thrive after they step down. Welch grew GE's sales from $26.8bil to $130bil, firing the bottom 10% of GE managers each year and rewarding the top 20%. On the other hand, James Sinegal grew Costco by building a family-like culture where people were rewarded for great solutions instead of outdoing one another. After the 2 leaders stepped down, GE's share price plummeted, while Costco's continued to grow steadily.

- A strong leader who directs and controls a team may deliver short-term results. But in the end, lasting results are delivered by leaders who invest in *empowering and equipping people* at all levels of the organization.

KEY QUOTES

"Numbers of people aren't people, they're numbers."

"Leadership is about taking responsibility for lives and not numbers. Managers look after our numbers and our results and leaders look after us."

"The impact of leadership is best judged over time."

"Legacy is not the memory of better times when the old leader was there. That's not legacy, that's nostalgia."

"Customers will never love a company until the employees love it first."

We need Leaders who Eat Last

Human-to-human connections are extremely powerful: they give us the strength to endure hardships, and motivate us to work with others to achieve even more.

- If you stop to reflect on your best moment at work, it's likely to involve a challenge that you overcame with a team. You'll remember the warm, satisfying feelings of *camaraderie and connectedness*.

- More than ever, we need leaders to create *Circles of Safety* and lead by example to create positive work environments. Alcoholics Anonymous (AA) meetings are so successful because they act as a Circle of Safety for alcoholics. However, such meetings must be done face-to-face, and the alcoholics must complete 1 final step to succeed—they must commit to help another alcoholic to overcome the addiction. That's the power of human connections.

In an age of abundance, leaders must provide a compelling cause for people to rally behind.

- Small companies are often more innovative than big corporations because they have less resources. Leaders must reframe the external challenges and opportunities to ensure they're *proportionate to the size of the organization*.

- Inspire people with a *concrete vision* of something that doesn't yet exist (e.g. Microsoft's vision of having a PC on every desk), and ensure the challenge is bigger than your available resources.

Other Details in the Book to Look out For

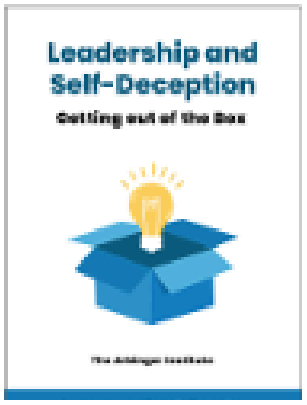
This is not a "how-to" book about leadership techniques, but one that offers a fundamentally different perspective and approach to leadership. Sinek offers many detailed examples and stories of leaders in all walks from the military to politics and businesses. For more details, please visit https://simonsinek.com/.

KEY QUOTES

"Whenever there is a...real, true, honest human...we seem to find the strength to endure—and the strength to help."

"Though it may take small steps to make a big leap, it is the vision of the big leap and not the action of the small steps that inspires us."

"Let us all be the leaders we wish we had."



LEADERSHIP AND SELF-DECEPTION

Getting Out of the Box

THE ARBINGER INSTITUTE

The Big "So What"

Self-deception can blind us to real causes behind problems – not only does it erode our effectiveness in work and life, it can spread like a virus to infect everyone around us. This book explains the profound concept of self-deception, how we get stuck in it, and how to free ourselves to see new possibilities and solutions.

Introduction

This book is written as a parable, set in the Zagrum Company. The key characters are:

- Lou Herbert: The former President and CEO of Zagrum;
- Kate Stenarude: The current President and CEO of Zagrum;
- Bud Jefferson: Executive Vice President (EVP) of Zagrum; and
- Tom Callum, one of Zagrum's new senior managers/ division heads.

The parable starts with Tom being invited for a day-long, one-on-one "self-deception meeting" with his new boss, Bud. Such meetings are a tradition at Zagrum – they're such a crucial part of Zagrum's success that the top management invests personal time to inculcate the ideas in *every* senior management staff who joins Zagrum. Even Kate, the President and CEO, also attends the sessions personally whenever she can.

The fable takes us through Tom's discovery process and "aha" moments, as he realizes that he has been "in the box", and sees how it has affected his relationships and results at work and at home. In this summary, we'll present the key ideas in 3 parts – what is "the box", how we get in, and how to get out.

KEY QUOTES

"Self-deception is so pervasive that it touches every aspect of life... Self-deception actually determines ones experience in every aspect of life."

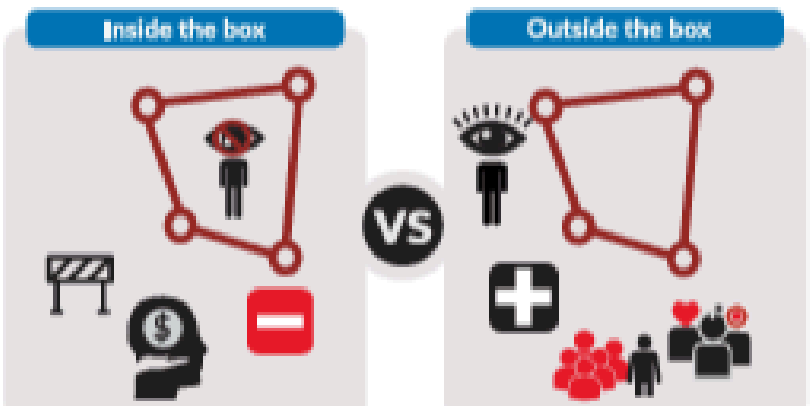
"We hope that this (book) will give people new leverage in their professional and personal lives – leverage to see themselves and others differently, and therefore leverage to solve what has resisted solution and to improve what can yet be improved."

"Of all the problems in organizations, self-deception is the most common, and the most damaging."

What is "The Box"?

Self-deception is a problem encountered by every human being. It's like being stuck in a box - despite our best intentions, we have a biased view of problems, and are blind to their underlying causes and our roles in them. Since we cannot see (or resist the possibility) that we are the problem, everything we do while we're in the box tends to be counter-productive. It hinders our ability to make effective decisions, and erodes our leadership abilities and happiness levels. Once the box is removed, or when we get outside the box, new possibilities and solutions emerge.

Being in versus out of the box



People vs objects. When we are in the box, we view and treat others as objects e.g. a vehicle to help us accomplish our goals, or a problem, threat, or obstacle to what we want. We are the priority, and our needs/ wants are much more important than theirs. When we are out of the box, we view and treat others as people, with equally important wants, hopes and dreams.

Imagine you're rushing for an important meeting. As the lift-doors close, you see someone running frantically toward it. In that split second, you decide to let the doors close, so you won't be delayed further. You're acting from inside the box – the other person is like an object, an obstacle to your meeting, and his needs are less legitimate than yours at that point.

It's more than your behaviour. Being outside the box is much deeper than just changing your outward behaviour.

- People are intuitive and can sense your *true intentions*. The same action, when done from inside vs outside the box, can create markedly different outcomes. For instance, you forget to pick up the groceries which you'd promised to do.

KEY QUOTES

"Self-deception... blinds us to the true causes of problems, and once we're blind, all the 'solutions' we can think of will actually make matters worse."

"Given a little time, we can always tell when we're being coped with, manipulated, or outsmarted. We can always detect the hypocrisy."

Your wife is very upset, so you apologize to pacify her. However, you're silently thinking how unreasonable she's being, given your long day at work and all you've done for her (i.e. you're acting from inside the box). In this case, your apology is unlikely to be well-received.

- The *defining factor* is whether you are doing what the *other person* needs, or what *you* need, whether you're really interested in the other person, or merely that person's opinion of you. When you are focusing on the other person's needs, even if you're harsh on the person, it'll still be better received than if you take a soft approach just to manipulate him to do what *you* want.

As a **rule of thumb**, if you're not even interested in someone's name, it's a clear sign that you're not interested in him/ her as a person. However, simply knowing a person's name doesn't mean you see him/ her as a person.

Finding the Problem beneath the Problem

Bud shares a true event from the 1800s. Ignaz Semmelweis was an obstetrician in Vienna, who was perplexed by the alarmingly high mortality rate of women in his maternity wards - 1 out of 10 women were dying from "childbed fever". While the doctors could identify the symptoms, they couldn't find a remedy that worked, and patients continued to die rapidly at the hospital.

Finally, by chance, they discovered that the cause of the deaths were the doctors themselves. It turned out that most of the doctors, especially Semmelweis, had been working on corpses, and were unknowingly passing germs to the patients via contact. This was before the discovery of the germ-theory, and the doctors' efforts to treat the fever were ironically backfiring as they were the very cause of the disease! Once they instituted the practice of washing their hands in chorine-and-lime solution, the mortality rate fell to 1 in 100.

Self-deception, like childbed fever, is merely a symptom. If left untreated, it can cause severe damage. Yet, treating it requires that we find the germ that causes it in the first place. We'll now take a closer look at the box, how we get in, and how to get out.

KEY QUOTES

"No matter what skill you teach me, I can be either in the box or out of the box when I implement it."

"People primarily respond not to what we do but to how we're being – whether we're in or out of the box toward them."

How We Get In the Box

Self Betrayal

As human beings, we intuitively know what we should do for others. When we're out of the box, we see what we can do, and we often want to do things for others (e.g. holding the door for someone, apologizing for a mistake, sharing a useful piece of information).

Yet, we often don't do what we know we should, i.e. we betray ourselves. Once we betray ourselves, we start to create justifications for our lack of action, which skews how we see the world.

Imagine you failed to complete a project on time. You know you should take responsibility, but instead, came up with a white lie about being very ill that week. You've just betrayed yourself. Soon, you start to notice how Susan had a mistake in her submission, and Tom missed out an important reference. You feel better, thinking how sloppily they've rushed through their work, unlike all of the previous times when you completed your projects perfectly. Before long, you find yourself thinking, "No wonder I couldn't complete my work – all these slackers are just putting up half-baked stuff and I'm the only one taking it seriously!"

This simple example shows how the justifications for our own self-betrayal can lead to self-deception. It happens in all aspects of work and personal life, and is typically characterized by 4 things:

- We exaggerate *others' fault;*
- We exaggerate *our own virtue;*
- We magnify the value of things that *justify our self-betrayal*; and
- We *blame others* for making us feel/ act the way we do.

KEY QUOTES

"An act contrary to what I feel I should do for another is called an act of 'self-betrayal'."

"Self-betrayal is the germ that creates the disease of self-deception."

"The box is a metaphor for how I'm resisting others... I'm actively resisting what the humanity of others calls me to do for them."

Typically, there is a marked difference in how we view others before versus after our self-betrayal. In the example above, you didn't think so poorly of your colleagues and their work until after your own betrayal.

Living in the Box

With time, some boxes may become so innate to us that we carry them with us. We no longer need the sense of betrayal to get in the box, because we're *already* in the box. We constantly see ourselves, others, and circumstances through these self-justifying lenses, and even bring our biases into new situations.

- For example, if you have a self-justifying image that you're a great husband, and your wife complains that you don't give her enough attention, you're likely to feel that she's being ungrateful, without really considering her point. Or, if you have a self-justifying image that you're the expert in your field, you may dismiss others' inputs, and they stop sharing suggestions with you over time.

- Thus, if you find yourself in the box, with no sense of self-betrayal, consider if you're carrying self-justifying views about others. When you can finally see how biased your views have been, you're likely to feel a shift and no longer feel the need to "win".

Collusion

When we're in the box, we want to feel **justified**. We focus on finding ways to reinforce how wrong or bad the other person is, and end up losing sight of our real goals. For example, you're upset with a staff and deliberately set him a tough goal to prove that he's incompetent. When he unexpectedly delivers, you're frustrated to be proven wrong, even though this is should've been a positive work outcome. Instead of appreciating his work, you end up being unreasonably critical.

When we're in the box, we tend to **blame others**. It puts them on the defensive, and incites them to get in their boxes. They start blaming us, we blame them for blaming us, and the vicious cycle continues; we're basically **colluding** to stay in our respective boxes.

KEY QUOTES

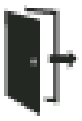
"By being in the box, I provoke others to be in the box."

Being "in the box" limits our ability to deliver results and reach our full potential. Our views are biased, and we're so busy trying to prove things to ourselves that our results are compromised. No amount of skills and techniques will help when our focus is fundamentally wrong.

In short, when we are in the box, all of these don't work:

Attempting to change others. Even if others should change or improve, it does not give us an excuse to be in the box. These are 2 independent factors. Attempting to change someone when we are in the box will only backfire and prompt them to get in their boxes.

Tolerating or bearing with others. Trying to tolerate or cope with others implies that we still carry our self-justified views and are still blaming others.



Leaving. Walking away may be the right move in some situations, but it doesn't solve the underlying problem, as we're simply bringing our boxes with us.

Communicating. No matter how skilled you are, so long as you are in the box, you're blaming others and seeking self-justification. The other party will sense it, and respond accordingly.

Using skills or techniques. Skills or technique are valuable, but ineffective when they're applied from inside the box.

Modifying your behaviour. As discussed earlier, changing your outward behaviour doesn't work, as you're still inwardly focusing on yourself, and the gesture will feel insincere.

So long as we're in the box, all our actions are counter-productive. Still, it's inevitable that we'll slip into the box occasionally. The key is to become aware of it, and to embrace it as an improvement tool for yourself and the whole organization.

Self-Deception and Organizational Results

Most of us start a job with excitement, gratitude, anticipation and the intention to do our best for the organization and our colleagues. However, over time, self-betrayal and deception sets in, and our feelings change.

KEY QUOTES

"People problems seem intractable not because they are insoluble but because the common skill interventions are not themselves solutions."

"From within the box I end up undermining the effectiveness of everything I do."

Self-deception can be one of the biggest hindrances to organizational results, with symptoms like a lack of commitment, trust and accountability, conflict, stress, poor teamwork, and communication issues.

As seen earlier, when someone is in the box, it triggers others to also get in the box, and this **spreads like a disease** throughout the organization.

People in the box are focused on **self-justifications**, which often clash with what's best for the organization. Instead of focusing on improvements and personal accountability, time and energy is wasted on justifications and blaming others.

Being Outside the Box

When we're in the box, we resist others and what they need from us. When we're out of the box, we see people for who they are, including their hopes, fears, dreams, and gifts; we recognize their needs.

On the surface, it'd seem as if living outside the box brings additional burden. However, in reality, the reverse holds true:

- Acting from outside the box doesn't mean we have to give in to everyone's whims and fancies. We can still **prioritize** what's important to us, yet treat others with genuine courtesy, respect and consideration, bringing more positive responses and results.

- When we're out of the box, we see people as they are, without prejudices and judgements. We're **liberated** from trying to justify and prove things to ourselves.

Getting Out of the Box

At any point in time, we are in-the-box toward some people and out-of-the-box toward others. Our out-of-the-box relationships provide a space or opening for us to see our in-the-box relationships in new light. When we start to question our magnified virtues and self-justifying views, our biases toward others will also start to dissolve. As we see others as people again, we'll start to feel like doing our part, or righting past wrongs - we're out of the box.

KEY QUOTES

"In the box we provoke others to get in the box – both with and against us."

"We live insecurely when we're in the box, desperate to show that we're justified."

"The more we can find our way to the 'out-of-the-box' vantage points within us, the more readily we will be able to shine light on the in-the-box justifications we are carrying."

Once we're out of the box, the biggest challenge is to **stay out of the box.** The only way to achieve that is to apply what we've learnt so far, using these tips:

- Focus on improvements, not perfection. If you find yourself in the box, apologize and move on.
- Use the principles yourself, rather than preach to those who're new to the concept.
- Focus on staying out of your box, not focus on others' boxes.
- Focus on what you can do for others, not what they're doing wrong, or what they're not doing for you.

Leadership inside vs outside the Box

In the parable, Tom learns how Zagrum was transformed using the principles he'd just learnt. Lou Herbert, the former President and CEO, had such a strong self-justifying image of his own brilliance and expertise that he unknowingly stifled creativity and trust in the organization. Since he was in his box, he failed to see that people were feeling apathetic or rebellious because of him; instead, he blamed others for their behaviours and became even more controlling and instructive. The same pattern occurred at home with his wife and son. Over time, good people started to leave Zagrum, and his family was falling apart.

Fortunately, Lou learned about self-deception and the box just in time. By stepping out of his box, he was able to convince Kate to return to work for him and transform Zagrum together. He also successfully mended his relationships with his wife and son.

As a leader, when you lead from inside the box, people may still follow you out of obligation. However, when you lead from outside the box, people choose to follow you. When you operate out-of-the-box, you can recognize others' boxes without blaming them for being in it, and you're free from self-betrayal. This encourages similar behaviours in others, develops new leaders and creates a virtuous cycle of trust.

Imagine that you're being considered for a promotion, after many years of hard work, and you discover that one of your new staff has made a crucial mistake that can derail an entire project.

KEY QUOTES

"Merely knowing the material doesn't get you out of the box. Living it does."

"It isn't about perfection... It's simply about getting better."

"The solution to the self-betrayal problem is the solution to all... people problems."

"Your success as a leader... depends on being free of self-betrayal.... Only then do you invite others to be free of self-betrayal."

"We won't know who we work and live with... until we leave the box and join them."

- If you act from *inside* the box, you'd put the blame on the staff to protect yourself. Even if it *seems* justified, the staff will learn to "watch his own back" in future, and you'd both be working for yourselves, from inside your respective boxes.

- If you act from *outside* the box, you'd probably recognize that you could've guided your staff more closely, and hence take full responsibility as his supervisor. Even if you were to speak firmly with your staff after that, he'll respect you and want to do better in future.

Applying the Concepts

The principles in this book can be applied to all aspects of your work and personal life. Based on real-life feedback from readers, Arbinger has identified 5 useful areas of application:

Hiring: You can use the book as required reading materal for potential hires, then evaluate the candidates through post-reading discussions.

Leadership & team-building: Share the book and its ideas with your leaders and team-members, to create awareness of in-the-box and out-of-the-box behaviours, and improve teamwork, interaction and results.

Conflict resolution. The ideas in this book are useful for mediation, handling conflict or volatile situations, especially when combined with the Peacemaking Pyramid from the book "The Anatomy of Peace". Conflict resolution becomes possible just by opening up people's minds to their own roles in the situation. Acting outside the box and treating the other party as people (rather than enemies or vermin), can also significantly improve outcomes.

Staff transformation. Before firing or removing a staff, try using this book as a rehabilitation tool to help them shift their perspectives.

Personal development. This book can also be used in educational institutions and business courses to build strong foundations for students and business leaders.

KEY QUOTES

"Companies fail for the same reason families do... both are organizations of people."

"The reason this book has been so instrumental in helping people to resolve conflict is that it opens readers to how they have helped to create the very problems they have attributed to others."

Other Details in the Book to Look out For

The book was originally published in 2000, and this second edition (published in 2010) expanded on the original book with updated material and ideas for application. This is an easy-to-read parable, with numerous work and personal examples that are highly-relatable and packed with nuances to reflect the common challenges and scenarios in our work and life.

We've modified the some of the examples in this summary to present the gist of the ideas. Reading the book in itself can provide an out-of-the-box environment for us to examine our relationships and effectiveness. For more references and details, do get a copy of the book, or visit www.arbinger.com.

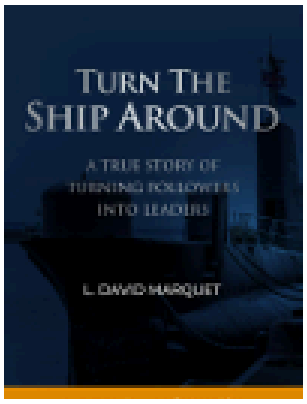
About The Arbinger Institute

Arbinger provides training, consulting, coaching, and implementation tools that move individuals, teams, and organizations from the inward mindset to the results focus of an outward mindset.

ARBINGER

This is built on the knowledge that, without a change in mindset, newly adopted behaviors won't stick and results will suffer. Arbinger is the world leader in transforming mindset, and their programs and methodology are based on 45 years of research in the psychology of human behavior and motivation, and more than 35 years of experience working with organizations worldwide.

KEY QUOTES



TURN THE SHIP AROUND!

A True Story of Turning Followers into Leaders

L. DAVID MARQUET

The Big "So What"

This book tells the story of how Captain Marquet successfully transformed the USS Santa Fe in less than a year, from the worst-performing submarine in its fleet to the best. It presents a different approach to leadership, using a "leader-leader" instead of a "leader-follower" model. This approach can be applied to any organization to unlock the energy and potential of people at all levels.

The Leader-Leader Approach

The book is written in a chronological order, from how Marquet formed his leadership theories to how he implemented a fresh leadership model to turn around the USS Santa Fe. In this summary, we'll give an overview of Marquet's leadership journey, before explaining the leadership model in detail.

A fundamental shift in thinking

Most people unconsciously divide the world into leaders vs followers and make assumptions about what each group can/can't do. Such assumptions influence our thoughts and actions to impact the performance of individual employees and the organization.

Today, many organizations still operate under the leader-follower model, which assumes that leaders have the authority and ability to tell their followers what to do and to command obedience.

- This model *can* be effective in manual, repetitive work e.g. farming or industrial jobs. However, in the modern workplace dominated by unstructured, cognitive work, such an approach *limits organizational potential* because (i) the entire organization's performance hinges on 1 leader's competence,

KEY QUOTES

"Our world's bright future will be built by people who have discovered that leadership is the enabling art."
- Stephen Covey

"One of the things that limits our learning is our belief that we already know something."

(ii) it doesn't tap on individual resourcefulness, and (iii) every leadership change can bring instability.

- It's not uncommon for enthusiastic employees to suggest new ideas, only to be told "that won't work" or "it's not your job". *People feel frustrated* and eventually stop trying or they leave the organization. Bosses also feel frustrated when their staff would rather do the bare minimum rather than to innovate or take responsibility.

On the other hand, the leader-leader model recognizes that *everyone* has the ability and potential to lead. It taps on individual potential at all levels, reduces dependency on a single leader and delivers sustained performance. This model can be applied to any organization and leadership level—it allows senior leaders to unlock the energy and potential of their people, and helps junior/middle leaders to step up in a way that encourages their bosses to let go.

From underdog to high-performance team

A hierarchical leader-follower model is prevalent in military organizations. It's especially convenient in a submarine where people operate under tight deadlines and have easy access to the leader in a physically-enclosed space.

- In the US Navy, a captain's performance was assessed strictly based on the period he was in charge of the ship. Thus, leaders tended to focus only on *short-term results* during their tenure. In fact, if performance dipped after a leader left, people would attribute it to his great leadership rather than his inability to train his people.

- A top-down approach also allowed people to avoid thinking (which is hard work) and *shirk responsibility* for their decisions. When things went wrong, people could simply say that they were following instructions.

- Hence, even if a strong leader could drive short-term results using a top-down approach, it'd cultivate *unhealthy thinking patterns* to damage the organization in the long-run.

KEY QUOTES

"Leadership is not some mystical quality that some possess and others do not."

"Competence could not rest solely with the leader. It had to run throughout the entire organization."

"Empowerment programs appeared to be a reaction to the fact that we had actively disempowered people."

For years, Marquet struggled with the conventional leadership model. He wanted to manage people in a way that he himself would've liked to be managed. He also believed that humans are intrinsically motivated to succeed and shouldn't have to be "empowered" to take action.

- In 1989, as an engineering officer supervising a team of 60 men, he tried to empower his team. He gave people flexibility and authority to make decisions, asked questions instead of issuing instructions, and encouraged people to talk directly to one another instead of going through him. Unfortunately, *his attempt at empowerment failed*—engineering errors increased, the team fell behind schedule and people were frustrated that Marquet wouldn't tell them what to do.

- On hindsight, Marquet realized that he failed because he was trying to empower people within a leader-follower structure and lacked the *3 essential ingredients* for real empowerment.

10 years later, Marquet successful transformed the Santa Fe crew under a different set of circumstances. This time, there were several important pre-requisites in place:

- *Strong call to action*. Unlike previous teams who were content with the status quo, the Santa Fe crew *wanted* change. At that point, Santa Fe was one of the lousiest crew with the worst retention in the submarine force. Every crew member knew there were problems; they just didn't know how to address them.

- *Clear goals and support from top leaders*. Marquet was recommended for the role by his mentor and immediate boss, Commodore Mark Kenny, with the explicit goal of getting the ship and crew ready for deployment in 6 months (by demonstrating combat effectiveness in a torpedo exercise). His bosses had expressed full confidence in Marquet, promising him the support to do whatever necessary to achieve the goal, without dictating how he went about doing it.

- Marquet was *unfamiliar with the technical details* on Santa Fe. With only 172 days to turn things around, he couldn't learn fast enough to issue top-down technical instructions, so he had no choice but to rely on the crew for technical inputs.

KEY QUOTES

"Control...only works with a competent workforce that understands the organization's purpose. Hence, as control is divested, both technical competence and organizational clarity need to be strengthened."

Marquet started by learning first-hand about the ship and crew. Rather than rely on reports and records, he spent time walking around the ship and talking to the crew to learn what worked and didn't work on Santa Fe.

- He observed many *symptoms that revealed bigger issues*. For example, people carried barely-working flashlights, were regularly late for meetings and didn't act without explicit endorsement from the top. Even admin approvals were often stuck in the system. At the awards ceremony, no family members were invited, no one could hear what was going on, and there wasn't even a photographer to capture the moments.

- People were frustrated as they were being micro-managed and had no room to make decisions. Yet, if instructions weren't followed to the letter, they could get blamed if things went wrong. Thus, most *people simply did as they were told* to avoid getting into trouble.

- In short, the Santa Fe crew was stuck in a *downward spiral* of bad practices → mistakes → low morale → doing the bare minimum to avoid trouble → more bad practices. To break this vicious cycle, Marquet had to fundamentally change mindsets.

Specifically, Marquet had to shift the focus away from avoiding mistakes to achieving excellence. So long as people focused on avoiding errors, they'd do just enough to stay out of trouble and never achieve true excellence. On the other hand, if they focused on exceptional performance, they'd naturally have to address mistakes. This mindset shift had to start with the chiefs—including the XO (or the second-in-command) and the 4 department heads.

- Drawing from his past experience and ideas from books like "Built to Last", "Start with Why" and "The 8th Habit", Marquet tried a *new leader-leader approach*. He successfully deployed Santa Fe ahead of schedule, and nurtured one of the best crew whose results lasted even after Marquet stepped down as the captain.

- The process of transformation involved a change in thinking, relinquishing control while retaining responsibility, and equipping people with the competence and clarity to successfully apply their new autonomy. In the next section, we'll zoom in on the *3 essential components* of the leader-leader model, and the specific mechanisms you can use to implement them.

KEY QUOTES

"If you walk about your organization talking to people, I'd suggest that you be as curious as possible... The time to be questioning or even critical is after trust has been established."

"Everything we did reinforced the notion that the guys at the top were the leaders and the rest of the crew were the followers."

"Reducing mistakes would be an important side benefit to attaining our primary goal, achieving excellence."

Implementing the Leader-Leader Model

To implement the leader-leader approach, you need 3 key components:Control,Competence and Clarity. Decentralized control is at the core of this model, but it can only work if it's supported by competence and clarity. Without those 2 pillars, decentralizing control will only bring chaos. When all 3 components are properly installed, they'll reinforce one another in a positive spiral.

Control

Control refers to the freedom and authority to make decisions about why, what and how you're going to work. The goal is to delegate decision-making control as far as possible in the organization.

To decentralize control, Marquet needed to get the chiefs' buy-in and commitment to change. He had to help him to see leadership as a responsibility, not a privilege, and to lead by example by first relinquishing some of *his* control to the XO and department heads. He used the following mechanisms to start disseminating control.

Rewrite your control policies. You can't delegate decision-making control by making grand speeches. You must make concrete changes to existing practices and procedures.

- Together with your key leaders, *review the policy documents* that specify where decision-making authority is currently vested in your organization. Identify the decisions (e.g. leave approvals or purchase decisions) that can be made at a lower level in the organization. You can also break down large decisions into smaller parts that can be decentralized.

- Get leaders to write down their *concerns about delegating* those tasks (e.g. worries that the staff may abuse their authority or lack the clarity/competence to make good decisions). Rank the concerns and discuss specific ways to address them.

KEY QUOTES

"The core of the leader-leader model is giving employees control over what they work on and how they work...The two enabling pillars are competence and clarity."

- Using this approach, Marquet gradually expanded the chiefs' power while getting them to *distribute power* to other crew members. For example, simply by changing the final approving authority for the leave chits, they were able to eliminate 6 steps from the 14-step process.

Use behaviors to change mindsets. You can't force people to change how they think. It's more effective to change how you behave, and let those behaviors influence how people think.

- To improve team morale, Marquet asked the crew to identify the behaviors that'd show someone was proud of the ship. Based on the feedback, they introduced the "*three-name rule*", i.e. every crew member would use 3 names to greet a visitor e.g. "Good morning Commodore Kenny. I am Petty Officer Smith, welcome aboard Santa Fe." This simple behavioral change instilled a sense of pride, initiative and control, to bring a positive mood shift within just a few days.

- To change a part of your culture, start by *brainstorming the desired behaviors* that would reflect the underlying cultural shift. For example, a good sign of an innovative culture could be employees submitting at least 1 new idea a month and openly discussing those ideas. Discuss how to *embed such behaviors* into your organization's practices.

Use short, early check-ins. It's common for people to spend a lot of time/energy perfecting their work before showing it to their boss, only to realize that they were on a totally wrong track.

- For example, Marquet found that the crew members were wasting too much time trying to perfect the nautical charts before reviewing them with the senior officers, for fear of criticism. Nautical charts are crucial for operational planning, but there's no point in perfecting the charts since the final course chosen will depend on the enemy's path. It'd be more effective to have quick, regular conversations to discuss the plans/charts, so the crew could *get early feedback* and start solving important problems instead of wasting time/energy on the wrong things.

- By investing some time to check-in regularly with their team members, leaders can help everyone to become more effective and *reduce time/resource wastage* on a much larger scale.

KEY QUOTES

"The reviews were focused on avoiding errors, as opposed to accomplishing something."

"Even a thirty-second check early on could save your people numerous hours of work."

Share intentions, don't seek permission. When people are used to following orders blindly, 1 leader's mistake can bring down the whole organization. Avoid issuing direct orders. Instead, get your team members to update you on their decisions and plans.

- Use *empowering phrases* like "I intend to...", "I plan to...", or "I will...". Don't use phrases like "Can I...", "Requesting permission to..." or "What should I do...".

- Initially, people may not know what to update or report. *Ask clarifying questions* to find out why they plan to take a certain step, and/or check if they have considered the implications of a certain decision. Over time, people will learn to crystallize their thoughts, think at a higher level, and present their plan so succinctly (with a few sentences) that the leaders can simply respond with an affirmative "go ahead".

Don't jump in with solutions. With the exception of real emergencies—where leaders may have to take clear, decisive actions—there's almost always enough time to let team members work through options and solutions.

- Let people have the opportunity to hone their *problem-solving and decision-making skills*. Resist the urge to step in with the "right" answer as it'll encourage people to keep relying on you for solutions. Help people to embrace differences and understand the value of having differing viewpoints.

- Use these *rules-of-thumb* to get people to think for themselves:

  (i) If you have to make an urgent decision, make sure you explain your rationale and assumptions and get your team to critique the decision after the event.

  (ii) If a decision must be made soon, at least seek inputs quickly before making the decision.

  (iii) Wherever possible, delay the decision so the team can debate the options and arrive at better solutions.

Use bottom-up accountability, not top-down tracking. It's common for team leaders to track and remind their staff of the outstanding items "owed" by them. It's much better for team

KEY QUOTES

"What happens in a top-down culture when the leader is wrong? Everyone goes over the cliff."

"Cherish the dissension. If everyone thinks like you, you don't need them."

"Don't preach and hope for ownership; implement mechanisms that actually give ownership."

members to be accountable for updating their supervisors on their progress and next steps. This frees up the leaders' time and creates a sense of personal responsibility by the subordinates.

Think aloud. Leaders are often afraid to show uncertainty or say the "wrong" things; they end up trying to appear smart rather than maximize their learning and effectiveness. In order for people at all levels to make good decisions in a complex world, it's crucial that they understand why they're doing that they do.

- When leaders "*think out loud*"—by voicing their questions, concerns and assumptions, or sharing why something should be done—it (i) imparts crucial thinking skills and (ii) sends the message that it's ok to show uncertainty.

- Use words like "I think..." or "Let's assume..." to encourage people to *communicate openly* and share ideas and feedback.

Seek external critique. Don't mask problems and paint an overly-rosy picture to the outside world. Instead, invite external criticism so you can learn. The Santa Fe crew learned to "embrace the inspectors" instead of dreading such inspections. Whenever inspectors were onboard, the crew would use the chance get feedback and ask about best-practices on other ships, so they can learn and improve.

Competence

For decentralized control to work, people at every level must be technically competent to make the right decisions. If you give people additional responsibility without equipping them with the required knowledge and resources, things will fall apart.

Take deliberate action. In certain industries or processes, a single mistake could make the difference between life and death. You can't avoid mistakes altogether, but you can take steps to prevent and minimize them.

- When we do something routine or familiar, it's easy to lapse into "auto-mode" which increases the risk of *careless mistakes*. For example, during dangerous navy procedures, red tags are hung on critical parts (e.g. valves or switches) to warn sailors

KEY QUOTES

"Control without competence is chaos."

not to operate those parts. Yet, an accident occurred when a Santa Fe crew member unthinkingly operated a switch despite the red tag.

- In such cases, adding more training or supervision won't solve the problem; the key is to get people to take *deliberate action*, i.e. habitually pause before acting, so a potential mistake can be stopped before the action is completed. For example, an operator can intentionally pause, vocalize his next step and/or position himself in a way that clearly indicates his intent. By making his actions obvious to himself and his team members, there's a higher chance that someone will detect an impending error.

Adopt continuous learning. Learning doesn't have to come in the form of training and lectures. With the right attitude, you can find learning opportunities everywhere.

- Together with the chiefs, Marquet developed a "We Learn" Creed to describe why and how the Santa Fe crew *make learning an integral part of their work*. Next, they defined and designed training programs to equip people with specific technical competencies for decision-making.

- Get together with your leaders to identify your *top learning priorities*. Specifically, discuss (i) the most important types of decisions to be made at certain levels of management, and (ii) the technical knowledge people need to make such decisions. Integrate these topics into your training program to improve your team's decision-making abilities.

Certify, don't brief. It's common for teams to be briefed just before an event (e.g. a product launch or sales campaign). Briefings are often ineffective as they're one-way communications. People on the receiving end may just nod and agree without really thinking about what's being said.

- Operational briefs on Santa Fe were replaced by "*certifications*"—the person-in-charge asked questions and jointly assessed with the rest of the team if they were ready for an operation (and if not, what had to be done).

- This converts every team member into an *active participant*. People are now thinking at a higher level, considering what

KEY QUOTES

"Training is a subset of learning, which in turn is a subset of personal growth."

they must do and taking responsibility for their roles instead of waiting passively for information and instructions.

Repeat key messages regularly and consistently. When a change is first announced, people may not take it seriously, or they may feel skeptical about the change. You must repeat the same message over and over before it will sink in.

Define goals, not methods. Get people to focus on delivering results, not on following predetermined procedures.

- For example, the fire drills on Santa Fe were ineffective as people were strictly *following standard operating procedures (SOPs)*. No one bothered to think of better ways to put out the fire, and people were stuck when they faced scenarios outside the SOPs.

- Results improved drastically when the chiefs stopped dictating who must do what, but gave the crew a *simple clear goal*—to put out the fire asap—and left it to crew members to find the best way to achieve it. This was supported by (i) a clear incentive to reach the goal (i.e. the drill would end once the fire was extinguished), (ii) concrete approaches and techniques that'd help the crew members to achieve the goal (e.g. crew members at the scene should describe the situation in specific detail to offsite experts, and attack the fire with portable extinguishers).

Clarity

For people at all levels to make effective decisions, they must be fully aligned with the organization's purpose, and thoroughly understand the organization's goals and decision-making criteria.

Care for your people. Marquet believes that leaders are responsible for their people's success and well-being, and should help their team members to achieve their work and personal goals.

- The chiefs started to talk to individuals about their *personal and life goals*, the types of courses and personal growth they wished to pursue etc. They also designed programs to bridge specific technical gaps, so crew members could do well in the advancement exams and improve their chances for promotion.

KEY QUOTES

"What I realized…is the need for a relentless, consistent repetition of the message."

"The procedure had become the master and not the servant."

"Provide your people with the objective and let them figure out the method."

"As the level of control is divested, it becomes more and more important that the team be aligned with the goal of the organization."

"Taking care of your people (means) giving them every available tool and advantage to achieve their aims in life, beyond the specifics of the job."

- This built *trust/connection* and gave people more to look forward to. When the crew felt that the chiefs were committed to their success, they also became more receptive to feedback.

Inspire with your legacy. Explore how you can capture your organization's legacy and keep it alive, e.g. tell stories about the drive and purpose of your early days, how you overcame a crisis, and embed the keywords in your guiding principles, reports and awards. To pass on the submariners' legacy and remind people why they were in service, Santa Fe adopted practices like making an announcement each time they passed a sunken submarine site, and sharing stories about their predecessors' accomplishments.

Develop guiding principles for decision-making.

- Develop a set of guiding principles that'd provide *clear criteria* for any team member to make the right choices. Leaders should also test their behaviors regularly against these principles to ensure they're leading by example.

- Santa Fe developed its list of guiding principles and *made them tangible* by linking the principles to everything they did, from language to behaviors, assessments and awards (e.g. "Tom demonstrated Courage and Integrity when he...").

Reinforce desired behaviors with instant recognition. Make it possible for people to celebrate great behaviors immediately, e.g. using peer recognition or small gifts.

- Remove all structural or administrative *barriers* (e.g. a complex approval process). *Measure results* and make the data available to everyone, so it becomes a game that ignites people's natural desire to improve and thrive.

- Don't force your employees to compete with one another. Instead, design your rewards to *encourage collaboration* toward a common goal, with no limit on the number of winners. For example, you can recognize all employees who achieve certain targets or when people outperform external competitors or even themselves.

Start with the end in mind. Share what you're trying to achieve with your team, so they can help to translate the high-level vision into specific, measurable goals for their departments and teams.

KEY QUOTES

"Guiding principles needed to do just that: provide guidance on decisions."

"Guiding principles have to accurately represent the principles of the real organization, not the imagined organization."

"When I say immediate recognition, I mean immediate. Not thirty days. Not thirty minutes. Immediate."

"Have awards that are abundant, with no limit. They pit your team against the world—either external competitors or nature."

Santa Fe was successfully deployed 2 weeks ahead of schedule because of a discussion between Marquet and Lieutenant Adams 3 months prior. The duo had the vision of giving the crew a 2-week break—this idea motivated them to develop a plan that led to the ship's early deployment.

Encourage questions. During an exercise, Marquet ordered a course-change which would've caused Santa Fe to miss its target. Fortunately, one of the officers pointed out Marquet's mistake and averted the error. Encourage everyone in your organization to adopt a questioning attitude instead of blindly following instructions; this is the best way to nurture leaders at all levels.

Conclusion

Just a year after Marquet took over command of Santa Fe, the ship and crew's performance had improved manifold, enlistments and retention had skyrocketed, and the crew members were advancing in their careers. If these 3 sets of mechanisms can work in a top-down hierarchical structure like Santa Fe's, it can work in any organization.

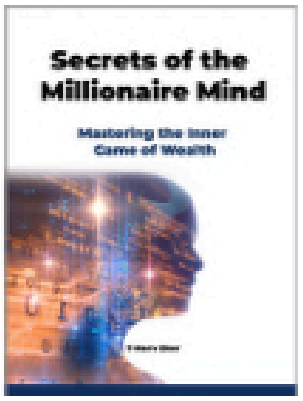
To get started:

- Examine your internal processes to identify key *sources of excellence*, e.g. specific interfaces with customers.
- Figure out the *types of decisions* that'd affect your organization's ability to achieve excellence in those areas.
- Break down *what's required* to help your employees to make those decisions (e.g. technical knowledge, goal-clarity, decision-making authority and accountability) and make it happen.

This summary focuses on the leader-leader model and its 3 core components. The book is packed with many other anecdotes about the navy and Marquet's personal reflections. Each chapter also comes with a list of questions for you to reflect about your leadership approach and where your organization stands. For more details, please visit davidmarquet.com.

KEY QUOTES

"If the leader-leader model can work on board a nuclear submarine, it can work for you."



SECRETS OF THE MILLIONAIRE MIND

Mastering the Inner Game of Wealth

T. Harv Eker

The Big "So What"

In the book, Eker outlines how to identify and revise your money blueprint, to significantly increase your income and accumulate wealth. The idea is to combine your inner mind game (your tool box) with your outer game (the tools) to get rich. Eker used

Introduction

Eker invites you to really study the book (not just read it), try the principles, keep what works and throw away what doesn't. He stresses that there are no right or wrong, true or false beliefs – these are just opinions that were widely circulated and passed on to you through the generations. You can consciously choose to release any belief, way of thinking or being, and replace them with new ones.

For the principles to work, you need to be prepared to let go of old ways of thinking.

Your Money Blueprint

Your level of success is largely dependent on your character, thinking and beliefs. In short, your wealth can only grow to the extent that you do. Like a tree, the seeds and roots beneath the ground are what generate the leaves and fruits above ground. The results you are getting in your outer world (including money, wealth, health, illness, weight etc.) are a reflection of your inner world.

KEY QUOTES

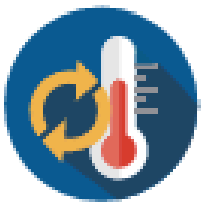
"This book provides the missing link between your desire for success and your achievement of success."

"If you want to move to a higher level of life, you have to be willing to let go of some of your old ways of thinking and being and adopt new ones."

"It's not enough to be in the right place at the right time. You have to be the right person in the right place at the right time."

"If you want to change the fruits, you will first have to change the roots. If you want to change the visible, you must change the invisible."

Your money blueprint is like your internal thermostat, or the default financial setting that you tend to fall back to. Your thermostat may be set for you to earn and possess hundreds, thousands, millions or billions of dollars. That's why poor people who win a lottery often don't keep the money for long, and millionaires who go broke tend to build up their empire again quickly.



The only way to permanently change your level of financial success is to reset your financial thermostat, i.e. change your money blueprint.

How your Money Blueprint was Created

We are born with no preconceptions about money. Everything we think, feel and do about money were taught to us and conditioned since we were young. This programming affects how we think, feel, act and eventually what results we get. In short, the process of manifestation looks like this:

Programming ➲ Thoughts ➲ Feelings ➲ Actions ➲ Results

There are 3 key sources of programming:

- **Verbal Programming**: Much of our sub-conscious beliefs about money, wealth and richness come from what we were told since young e.g. "money is the root of all evil", "money doesn't buy happiness", "that's for the rich people", "earn an honest living".

  Many of these beliefs carry deeply-rooted emotions (e.g. the desire to please our parents, the fear of loss) - these have a stronger influence on our sub-conscious minds than our logical thoughts.

- **Modeling**: We subconsciously model after key role models in our lives like our parents and grandparents. Or, we may silently rebel against their way of doing things (e.g. feeling angry about their lack of money and hence the need to prove ourselves).

KEY QUOTES

"The only way to permanently change the temperature in the room is to reset the thermostat. In the same way, the only way to change your level of financial success 'permanently' is to reset your financial thermostat, otherwise known as your money blueprint."

"Nothing has meaning except for the meaning you give it."

"When the subconscious mind must choose between deeply rooted emotions and logic, emotions will almost always win."

Examine your reason or motivation for money or success – if the motivation comes from unsupportive causes like anger, fear, or the need to prove something, money will not bring you happiness.

- **Specific Incidents**. When we are young, our beliefs about money are affected by specific experiences, e.g. watching our parents fight over money, receiving money/rewards for behaving in a certain way.

Changing your Programming

- Your programming can be changed through 4 elements:
  1. Awareness. You can't change what you're unaware of. Watch yourself and become aware of your thoughts, fears, beliefs, habits, actions and inactions.
  2. Understanding that this way of thinking comes from external sources and is not necessarily who you are.
  3. Disassociation. Know that this way of thinking is not you and you can choose to let it go.
  4. Reconditioning. Retrain your mind to respond supportively to money and success.

- **Using declarations: a powerful secret for change**
  1. A declaration is a positive statement of intention that something will happen. It is different from an affirmation which is stated as if the goal is already happening.
  2. For each principle, Eker provides a verbal "declaration", which he recommends that you say out loud, emphatically. First, you put your hand on your heart and make the verbal declaration. Then, you touch your head with your index finger and make another verbal declaration.
  3. State your declarations aloud each morning and evening. It is even better to do it while looking into a mirror.
  4. Declarations are powerful because they carry their own vibrational frequencies. Stating them aloud creates energy vibrations throughout the cells in your body, sending powerful messages to the universe and your subconscious mind.

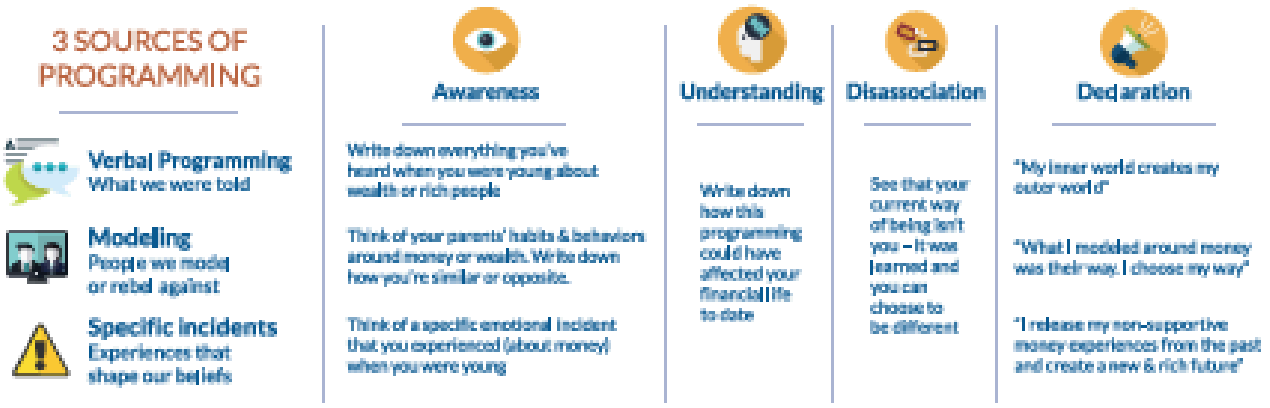
KEY QUOTES

"Put yourself under a microscope. Study yourself."

"Consciousness is observing your thoughts and actions so that you can live from true choice in the present moment rather than being run by programming from the past."

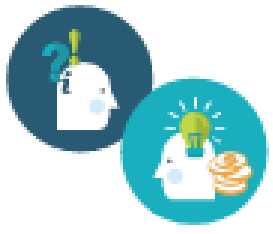
"You can choose to think in ways that support your happiness and success instead of ways that don't."

Use these action steps and declarations to remove and replace your current money blueprint.



The Wealth Files: 17 Ways Rich People Think & Act Differently

Computers run on logic and rules. Likewise, we make decisions based on what we believe is sensible at that point in time, based on the "files", beliefs or logic in our minds.



Rich people think and act differently from the poor or middle-class. To develop a millionaire mind, we can consciously catch ourselves when we are using "poverty files" and switch to alternative "wealth files".

#1: Rich people believe "I create my life".
Poor people believe "Life happens to me".

Rich people believe they control their lives, while poor people believe they have little/no control and have a "victim mindset":

- Blame: The tendency to blame someone else or something for their circumstances (rather than take personal responsibility)
- Justifications: Rationalizing and finding excuses for the lack of success e.g. "money is not that important" (rather than appreciating the importance and role of money in society).
- Complaining: Expressing negativity and attracting more of what they are complaining about (what you focus on grows).

KEY QUOTES

"Realize that you create your wealth, your nonwealth, and every level in between."

"There's no such thing as a really rich victim…You can be a victim or you can be rich, but you can't be both!"

Declaration

Hand on heart: "I create the exact level of my financial success!"
Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Each time you catch yourself blaming, justifying or complaining, slide a finger across your neck (you're slitting your financial throat!).
- At the end of each day, write down 1 thing that went well and 1 thing that didn't. Write your answer to "how did I create each of these situations?"

#2: Rich people play the money game to win.
Poor people play the money game to not lose.

Rich people aim to have massive wealth and abundance, middle class people aim to be comfortable, and poor people aim to pay their bills.

Declaration

Hand on heart: "My goal is to become a millionaire & more!"
Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Write down 2 financial "play to win" goals for your annual income & network. Make these goals ambitious, but achievable in a realistic timeframe.
- Go to an upscale restaurant and order a meal at "market price" without asking how much it costs. Have a feel of what it's like to "win".

#3: Rich people are committed to being rich.
Poor people want to be rich.

There are 3 levels of wanting:

- I want to be rich.
- I choose to be rich.
- I commit to be rich: being unreservedly devoted.

Rich people are unwavering in their desire for wealth, and will do whatever it takes to achieve it (including sacrificing their time/relationships and taking risks). Poor people have negative files in their subconscious mind around riches e.g. "It could cost

KEY QUOTES

"When you are complaining, you become a living, breathing "crap magnet."

"If your goal is to be comfortable, chances are you'll never get rich. But if your goal is to be rich, chances are you'll end up mighty comfortable."

"The number one reason most people don't get what they want is that they don't know what they want."

my health/my family", "I could make it and lose it." These send mixed signals to the Universe about their real commitment and desire for wealth.

Declaration
Hand on heart: "I commit to being rich."
Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Write a paragraph on why creating wealth is important to you. Be specific.
- Do this declaration with a trusted friend or family member: Put your hand on your heart, look at the person in the eye and say "I, (your name), do hereby commit to becoming a millionaire or more by (date)." Tell your partner to say "I believe in you" and you respond with "thank you".

#4: Rich people think big. Poor people think small.

You will be paid in accordance to the value you deliver to the marketplace, which is in turn determined by: supply, demand, quality and quantity. The more people you serve or affect, the greater the value you create. Part of your life mission must be to share your gifts with as many people as possible.

Declaration
Hand on heart: "I think big! I choose to help thousands and thousands of people!"
Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Write down what you believe are your natural talents, and how and where you can use more of these gifts.
- Brainstorm how you can solve problems for 10x of the people you impact now. Develop at least 3 strategies.

#5: Rich people focus on opportunities. Poor people focus on obstacles.

Rich people expect to succeed and take educated risks. They focus on what they want. Poor people are fearful of what could go wrong and tend to stall for time. They focus on what they don't want.

KEY QUOTES

"The excitement and stimulation of a vision go far beyond objective judgment. A vision sets direction for thinking and for action."

"You will be paid in direct proportion to the value you deliver according to the marketplace."

"If you want to be rich in the truest sense of the word, it can't only be about you. It has to include adding value to other people's lives."

"If you want to get rich, focus on making, keeping and investing your money. If you want to be poor, focus on spending your money."

Declaration

Hand on heart: "I focus on opportunities over obstacles."
"I get ready, I fire, I aim!"

Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Get in the game. Start on a project/situation or project you have been procrastinating on. Learn "on the job" if necessary.
- Practice optimism. Reframe all problems or obstacles into an opportunity.
- Gratitude. List 10 things you are grateful for in your life and read it aloud, each morning for the next 30 days.

#6: Rich people admire other rich & successful people. Poor people resent rich & successful people.

You can't become something you despise. To overcome the habit of envy, we need to practice admiring, blessing and loving rich people.

Declaration

Hand on heart: "I admire rich people!" "I bless rich people!" "I love rich people!" "And I'm going to be one of those rich people too!"

Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Practice the Huna philosophy – whenever you see beautiful homes, cars or successes, bless it and the owners/people involved.
- Send a letter/email to someone who is highly successful (you needn't know them personally) to share your admiration for their achievements.

#7: Rich people associate with positive, successful people. Poor people associate with negative or unsuccessful people.

Rich people associate with and model after successful people. Poor people, on the other hand, judge/criticize/mock others' successes. If the person(s) closest to you are downers and pulling you down:

- Focus on being the best model you can be. Don't try to change them, but they may shift under your positive influence over

KEY QUOTES

The idea is to get in the game with whatever you've got, from wherever you are."

"Bless that which you want."
- Huna philosophy

time.

- Treat their presence as a test for you to stay positive and true to your values in face of "opposition".

Declaration

Hand on heart: "I model rich & successful people." "I associate with rich & successful people." "If they can do it, I can do it."

Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Read a biography of someone who is or was extremely rich and successful. Get inspiration from their stories and copy their mindset.
- Get into a high-end environment (e.g. a high-end club, classy hotel) and get comfortable with the atmosphere. Watch the patrons – you'll notice they are no different from you.
- Remove yourself from people or situations that are downers in your life.
- Stop watching thrash TV and stay away from bad news.

KEY QUOTES

#8: Rich people are willing to promote themselves and their value. Poor people think negatively about selling and promotion.

People who resent selling and promotion are usually broke. Rich people can and are willing to promote their value with passion and enthusiasm. That's why leaders earn a lot more than followers – they are good at selling themselves and their vision.

Declaration

Hand on heart: "I promote my value to others with passion and enthusiasm."

Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Rate (1-10) the value of the product or service you're offering or intending to offer. If the rating is 7-9, improve it to 10. If it's ≤ 6, drop it and represent something you really believe in.
- Improve yourself (read books, listen to audios, take courses) to the point you can promote your value successfully and with 100% integrity.

#9: Rich people are bigger than their problems.
Poor people are smaller than their problems.

The road to wealth comes with problems and difficulties. Rich and successful people grow themselves to become bigger than the problems , while poor people avoid them. Growing yourself to create wealth is not enough – you also need to grow yourself to keep wealth. The size of the person matters more than the size of the problems.

Declaration
Hand on heart: "I'm bigger than any problems." "I can handle any problems."
Hand to head: "I have a millionaire mind!".

Millionaire Mind Actions
- When you're upset over a "big problem", remember you're being "mini me". Say to yourself "I can handle this. I'm bigger than any problem."
- Write down a problem you are facing – list 10 actions you can take, to move from problem to solution thinking.

KEY QUOTES

"The secret to success is...to grow yourself so that you are bigger than any problem."

#10: Rich people are excellent receivers.
Poor people are poor receivers.

Eker addresses a number of obstacles hindering poor people's ability to receive freely, including:

- Self-worth. Most of us grew up with punishments when we did something "wrong". Poor people still retain this programming: They punish ourselves for their "mistakes" and feel unworthy.
- Poor people have belief systems that tell them they are better people if they are poor. However, money only amplifies who you already are: if you're "good", having more money will only help you to do more good & positively impact more people.

"Money will only make you more of what you already are."

Declaration
Hand on heart: "I am an excellent receiver. I'm open and willing to receive massive amounts of money into my life."

Millionaire Mind Actions

- Receive compliments graciously with a "thank you" (without returning a compliment immediately).
- Enthusiastically celebrate any amount of money that you find or receive should be enthusiastically celebrated.
- Pamper yourself. Do something at least once a month to nurture yourself and feel rich and deserving.

#11: Rich people choose to get paid based on results. Poor people choose to get paid based on time.

Having a steady paycheck gives you security, but this security comes with a price – to earn what you are truly worth. Rich people believe in themselves, and hence prefer to be paid for the results they create.

Declaration

Hand on heart: "I choose to get paid based on my results."

Millionaire Mind Actions

- If you're currently paid an hourly wage, propose a compensation plan in which you're paid at least partially based on individual & company results. If you own a business, create a compensation plan that allows employees and key partners to be paid more on their/the company's results.
- If you feel you are not paid enough on your job, start your own business (possibly beginning part time). Focus on being paid for performance and results rather than only for your time.

#12: Rich people think "both". Poor people think "either/or."

Rich people perceive abundance in their world. They believe they can have the cake and eat it. Poor people perceive scarcity and limitations (e.g. you can have only money or happiness but not both).

Most poor people don't realize that money is not a limited commodity and doesn't get depleted with use. In fact, the same money can be used over and over again to create value for

KEY QUOTES

"If you choose to get paid for your time, you are pretty much killing your chances for wealth."

"Rich people understand that with a little creativity you can almost always figure out a way to have the best of both worlds."

everyone. Living a life without limits requires the intention to have "both" in your life.

Declaration

Hand on heart: "I always think 'both'."

Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- When presented with alternatives, ask yourself "how can I have both?"
- Each time you spend money, say to yourself, "This money will go through hundreds of people and create value for all of them."
- Believe you can be a role model by being kind, generous, loving and rich.

#13: Rich people focus on their net worth.
Poor people focus on their working income.

Net worth is the financial value of everything you own, including your cash, investments, business, residences etc. It includes 4 key components, of which working income is only a part of 1 component :

- Income (working income and passive income)
- Savings (which are necessary for investments)
- Investments (to grow your assets)
- Simplification (a lifestyle that needs less expenses, hence freeing up resources for investments)

Declaration

Hand on heart: "I focus on building my net worth!"

Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Focus on all 4 net worth factors
- Create a net worth statement and track or revise it every quarter.
- Hire a qualified financial planner

KEY QUOTES

"Being kind, generous, and loving has nothing to do with what is or isn't in your wallet... Being pure and spiritual have nothing to do with what is or isn't in your bank account."

"The true measure of wealth is net worth, not working income."

#14: Rich people manage their money well.
Poor people mismanage their money well.

Rich people have sound money habits – they understand that money management doesn't restrict their freedom, but can create eventual financial freedom. They realize that however little the money, when well managed, can grow to plenty. Even if you are borrowing to survive, you can start managing that borrowed dollar.

Declaration

Hand on heart: "I am an excellent money manager."

Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

Manage your money by putting a percentage of every dollar you receive (after taxes) into each of 6 funds:

- 10% into your "Financial Freedom Account". The money should only be used for investments & creating passive-income streams.
- 10% for a "Play" account. Use the money to nurture yourself or do the things you wouldn't normally do. You must spend all the money every month.
- 10% for a "Long-term Savings for Spending account"
- 10% into your Education account
- 50% into your Necessities account
- 10% into your Give account
- Create an additional Financial Freedom jar and deposit something into it daily (however small)

#15: Rich people have their money work hard for them.
Poor people work hard for their money.

Working hard is important, but it is equally important knowing what to do with the dollar that you make with your hard work. You become financially free when your passive income exceeds your expenses. Passive income can come from:

- Money working for you i.e. investments or other assets that appreciate in value and can be liquidated for cash.
- Businesses working for you i.e. ongoing income from businesses where you do not need to be personally involved.

KEY QUOTES

"Until you show you can handle what you've got, you won't get any more!"

"The habit of managing your money is more important than the amount."

"Either you control money, or it will control you. To control money, you must manage it."

"Knowing what to do with that dollar is where you move from hard work to smart work."

"Rich people see every dollar as a 'seed' that can be planted to earn a hundred more dollars, which can then be replanted to earn a thousand more dollars."

The rich understand the concept of delayed gratification – they earn money for their investments, which in turn pays for their future. The poor earn money for survival and immediate gratification. The rich buy assets that will likely go up in value, while the poor buy expenses that will decrease in value.

Declaration

Hand on heart: "My money works hard for me and makes me more money" Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Get educated on investments (through seminars, books, magazines etc.)
- Focus on passive instead of active income. Identify at least 3 strategies to create passive income, and start researching or taking action.
- "Don't wait to buy real estate. Buy real estate and wait"

#16: Rich people act in spite of fear. Poor people let fear stop them.

Affirmations, visualizations and meditations are useful tools, but need to be combined with real action to deliver results. Anyone – be it rich or poor – will feel fear. To be successful, there's no need to remove fear; we just need to practice acting in spite of fear. What's initially uncomfortable will become comfortable with time. Learn to become disciplined with your own thoughts.

Declaration

Hand on heart: "I act in spite of fear." "I act in spite of doubt." "I act in spite of worry." "I act in spite of inconvenience." "I act in spite of discomfort." "I act when I'm not in the mood."

Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- List down and challenge your 3 greatest worries or fears about money or wealth. Realize that you will survive even if each one really happened.
- Intentionally make uncomfortable decisions for you.
- Use "power thinking" to observe your thoughts & entertain only those that support your happiness & success.

KEY QUOTES

"Every dollar you spend today may actually cost you a hundred dollars tomorrow."

"When in France you speak French; when wearing the green hat you use provocation and movement as the grammar of creativity."

"If you are willing to do only what's easy, life will be hard. But if you are willing to do what's hard, life will be easy."

"The only time you are actually growing is when you are uncomfortable."

"Training and managing your own mind is the most important skill you could ever own, in terms of both happiness and success."

#17: Rich people constantly learn and grow.
Poor people think they already know.

You only know something if you are living it. So if you are not completely rich and happy, there are things you can learn. Poor people tend to pretend that they've got it all figured out and under control, and find excuses (e.g. no time/ money) to learn and grow. Rich and successful people understand that their outer world is a reflection of their inner world. They learn from those who have already been where they want to go, and are richer than they are.

Declaration

Hand on heart: "I'm committed to constantly learning & growing."
Hand to head: "I have a millionaire mind!"

Millionaire Mind Actions

- Commit to your growth- read at least a book, listen to an audio, or take a seminar on money or business or personal development monthly.
- Consider hiring a personal coach
- Attend the Millionaire Mind Intensive.

Other Useful Details in the Book to Look Out For

Eker shares many stories of his personal journey and real people he has met, many of whom are graduates of his Millionaire Mind Intensive course (which he promotes heavily in the book).

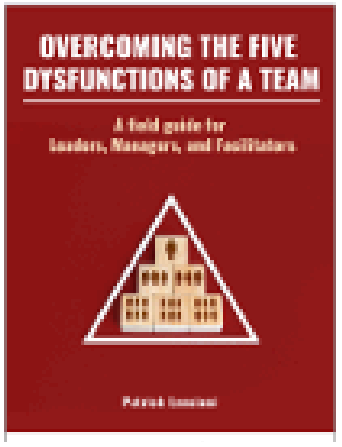
Additional resources or free book bonuses are available at www.millionairemindbook.com, including:

- Millionaire Mind Declarations
- T. Harv Eker's Monthly Lessons
- Action Reminders
- Net Worth Tracking sheet
- A Printout of your Commitment to Wealth

KEY QUOTES

"If you live it, you know it. Otherwise, you heard about it, you read about it, or you talk about it, but you don't know it."

"To get paid the best, you must be the best."



Overcoming the Five Dysfunctions of a Team

A Field Guide for Leaders, Managers and Facilitators

PATRICK LENCIONI

The Big "So What"

The book was written as a follow-up to best-seller *The Five Dysfunctions of a Team*, to provide a guide for leaders and practitioners to apply the concepts in the original book. It offers specific and practical guidelines for executives (be it leaders, practitioners or team players) who wish to understand how to achieve outstanding results through great teams.

Introduction

Teamwork can be hard to measure and achieve. Yet, when you get it right, it can deliver seemingly-impossible results, and become a source of sustainable competitive advantage for your company in today's rapidly changing world. Teamwork can also deliver a sense of fulfilment for its members, with positive spill-over effects beyond the workplace.

Overview - The 5 Dysfunctions of a Team

Using a fable in his earlier book, Lencioni illustrated how the absence of these 5 elements – trust, conflict, commitment, accountability and results - can cripple teams. In this book, he starts by defining each area, and outlines how their lack can handicap teams, and how to overcome them. Each ingredient is important not so much in itself, but in laying the foundation upon which the next ingredient is built, to deliver the ultimate goal of results.

KEY QUOTES

"Teamwork remains the one sustainable competitive advantage that has been largely untapped."

"When people come together and set aside individual needs for the good of the whole, they can accomplish what might have looked impossible on paper."

"A team is a relatively small number of people (anywhere from three to twelve) that shares common goals as well as the rewards and responsibilities for achieving them. Team members readily set aside their individual or personal needs for the greater good of the group."

Team Foundations

Before you move into team-building, there are 2 fundamental questions to ask yourselves:

Are we really a team?
A team should be small (3-12 people) and must share common goals. If your group doesn't fulfil these criteria, you may need to regroup or form a smaller group that does.

Are we ready to do what it takes?
Building a real team requires members to invest time and energy, and to get uncomfortable. Are you and your team members ready for that?

With these prerequisites out of the way, we can now focus on addressing each of the 5 Team Dysfunctions, and converting them into Success Factors.

KEY QUOTES

"Teamwork doesn't require great intellectual insights or masterful tactics. More than anything else, it comes down to courage and persistence."

Have each team member share 3 items:

- Where they grew up;
- Number of kids in their family; and
- The biggest childhood challenge as a kid.

For example, members may have assumed that someone is cold and unfriendly. However when they realize that he merely has trouble expressing himself due to his strict upbringing, they immediately become more understanding and empathic.

Behavioural Profiling

This provides an unbiased and dependable way for people to (a) validate and share their strengths and weaknesses, and (b) have a common and objective lingo to discuss these strengths and weaknesses. There are numerous profiling tools available, though Lencioni personally recommends the Myers-Briggs Type Indicator (MBTI).

Teams can do their assessments prior, then have an off-site meeting to review and share their profiles (after a short briefing). After such meetings, encourage people to have the profile placed visibly at their work-desk, to share them with their direct reports, and get together soon to discuss/ share how they have applied the insights at work.

2. Mastering Conflict

"Good conflict" is about open, constructive and passionate debates about issues that affect organizational success. However, this seldom exists because most teams are trying to maintain artificial harmony by avoiding difficult issues. Others, on the other hand, waste time and energy managing perceived personal attacks, manipulating conversations and trying to win arguments (rather than solve real problems).

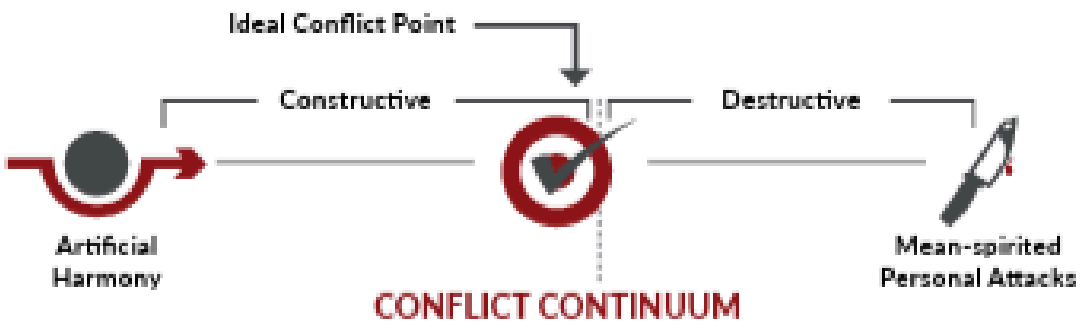
KEY QUOTES

"I will never get tired of watching the reticence and guardedness of untrusting teammates melt away as they acknowledge to one another what makes them tick. Without fail, there is laughter, teasing, relief and insight. And that is exactly when the seeds of trust begin to grow."

"As with any new information, if it is not put to use and discussed, it quickly grows stale."

"When I talk about conflict on a team, I'm talking about productive, ideological conflict: passionate, unfiltered debate around issues of importance to the team."

"When vulnerability-based trust exists, team members say everything that needs to be said, and there is nothing left to talk about behind closed doors."



In theory, the ideal level of conflict would be at the end of the constructive zone, just before it tips into the destructive zone. However occasional destructive conflict gives the team an opportunity to work through difficult issues, building deeper trust and confidence.

Conflict is inherently uncomfortable. Hence, trust is an important (and necessary) foundation that allows members to push one another outside their emotional comfort zones. Here are several tools to facilitate constructive conflict:

Conflict Profiling.

Different people view and handle conflict differently, due to their personality, cultural background, family background etc. Similar to personality profiling, it is useful for team members to understand one another's conflict profiles by doing an assessment (e.g. using the MBIT or Thomas-Kilmann Conflict Mode instrument).

Conflict Norming.

With an understanding of their conflict profiles, members should jointly establish their rules of engagement (e.g. whether to stay emotion-free or express emotions freely, whether interruption is acceptable during debates). Once agreed, everyone is accountable to uphold the norms.

Encouraging Conflict.

Even with mutual understanding and team norms, most people tend to shy away from conflict. Leaders play an important role in encouraging conflict:

KEY QUOTES

"The only thing that really matters is this: are they holding back their opinions? Members of great teams do not."

"When a team recovers from an incident of destructive conflict, it builds confidence that it can survive such an event, which in turn builds trust."

"When people self-identify and publicly declare their outlook on conflict, they become much more open to adjusting it to whatever team norms need to be established."

"The leader is going to have to be ready to not only light the fuse of good conflict but to gently fan the flames for a while too."

The leader must mine for conflict, i.e. identify when real issues are being buried and create opportunities to unearth them.

When team members are in the midst of an atypical debate, leaders should also give "real-time permission" by reassuring them that such conflict is desirable, even if it's uncomfortable.

Rather than waste time running boring meetings with no conflict nor breakthrough, leaders must use meetings productively to surface real issues and critical opinions. They can start meetings with a "hook", creating a sense of urgency around why the issues at hand must be properly addressed, before mining for conflict.

Conflict Resolution.

As more conflict arises, leaders will need to know how to effectively resolve them. Lencioni provides a series of tools to help teams identify and remove individual, relationship, environmental and informational obstacles, as well as to assess and improve their conflict tendencies.

3. Achieve Commitment

Team commitment isn't about consensus, but the willingness to embrace a decision without consensus. There are 2 key ingredients:

Buy-In.

Contrary to common belief, most people are willing to buy in to a decision - even if it is different from their own suggestions - so long as their own ideas have been considered and explained in the context of the final decision.

KEY QUOTES

"The ultimate penalty of boring meetings is bad decisions, not to mention wasted time."

"Commitment is ...the ability to defy a lack of consensus."

"Commitment is not consensus. Waiting for everyone on a team to agree intellectually on a decision is a good recipe for mediocrity delay, and frustration."

This is why conflict (facilitated by good leadership) is so instrumental – when team members are confident that all options, perspectives and opinions have been aired, they are more willing to stand behind the decision despite their initial disagreement.

Clarity.

Often, people walk away from a meeting with different understanding of what has just been agreed. Without clarity and alignment, there can be no real commitment. To remove assumptions and ambiguity:

- Clarify commitment. Before the end of each meeting, the leader must write down the key decisions that have been made. Any discrepancies must be identified and ironed out before the decision is announced.

- Cascade the commitment. Each team member must also communicate (verbally or in person) the decisions to their staff within 24 hours of the meeting. This forces the team members to become equally clear and committed to the decision.

Besides commitment to specific decisions, every team needs to commit to broader issues or principles like purpose, mission, values, strategy and goals. To rally the team around a common cause, you can establish "thematic goals", i.e. a common, unifying goal that all team members can constantly thinking about and work towards in their daily work.

KEY QUOTES

"Most people don't need to have their ideas adopted...in order to buy in to a decision. They just want to have their ideas heard, understood, considered, and explained within the context of the ultimate decision."

"It is amazing to me how a group of intelligent, highly educated adults, all of whom speak the same language, can sit in a room for two hours of discussion, and then leave the room under the false impression that everyone is on the same page."

4. Embrace Accountability

Accountability in the context of this book is about team members' willingness to hold one another to live up to the group's decisions and performance standards. Strong teams don't depend on the leader as the main source of accountability; their true motivation to perform comes from peer pressure and the desire not to let down a fellow team member.

To kickstart the culture of accountability:

- Leaders must first set the tone. Rather than just manage results (which are only visible at the end), they must be prepared to get uncomfortable and uphold behavioural standards (e.g. confronting a staff who is badmouthing a company initiative, or someone who is not handling a task to expectation); and

- Leaders need to reinforce the value of constructive feedback. People are naturally resistant to offering critical feedback, hence members must be educated that when they withhold constructive feedback, they are actually letting down their peers.

Here are 2 tools to help deepen accountability and performance:

Team Effectiveness Exercise. This is suitable for teams that already have some level of trust and experience working together.

- Set aside at least 1 hour. Have every member write down their answers for these 2 questions, for every other team member (except themselves):

    1. "What's the 1 most important behaviour demonstrated by this person which strengthens our team?"
    2. "What's the 1 most important behaviour demonstrated by this person which can sometimes derail the team?"

KEY QUOTES

"Peer pressure and the distaste for letting down a colleague will motivate a team player more than any fear of authoritative punishment or rebuke."

"By holding back we are hurting not only the team, but also our teammates themselves."

- Members share their answers for Question 1, focusing first on the leader, then repeat the process for Question 2, The leader can seek clarification, but can't respond to the feedback. The same process is then repeated for the rest of the team members.

- After the exercise, team members must email their areas of strengths and weaknesses to the leader and review/discuss those areas again in a few months.

Use meetings to build accountability.

- Start each meeting with a "lightning round" by having each team member summarize (in less than 30 seconds) their top 3 priorities that week. Other team members can suggest more important areas that the member should focus on, if any.

- Have a scoreboard or radar screen where key goals can be tracked and made visible during meetings (see next segment)

5. Focus On Results

Even when a team has successfully overcome the previous dysfunctions, they still may not achieve results because of:

- Lack of clear measurements. It is tempting to go with a vague interpretation of success, as it gives us room to manoeuvre and change our goal posts. The key to success is to pick 1 or 2 goals (e.g. market share, customer satisfaction, revenue, year-on-year growth) that the team can rally around, and to commit the goal(s) publicly as early as possible.

- Self-interest/ preservation. Our natural inclination is to put our self-interest first before others' (including our teams). This tendency can be broken down into:

KEY QUOTES

"What's critical is that team members know that the areas that were identified will not go away, and that they will have to answer for their progress in the not-too-distant future."

"Teams have to eliminate ambiguity and interpretation when it comes to success."

- Ego. Much as we want our teams to win, we usually want to win first as individuals. A team can only be strong if each member is not satisfied until the collective results of the group are achieved.

- Our needs in terms of career development and money can distract us from the team's collective goals. Most people are not comfortable sharing such concerns, yet they can fester if not addressed. Only when there's a strong foundation of trust in the team, can members be encouraged to surface such personal concerns for solutions

- Given a choice, most leaders will prioritize their own departments (or the teams they lead) over the cross-departmental teams that they are members of.

To overcome members' natural self-interests, the only way is to make the win-win, common team goals visible and the constant focus of the team's attention. This can be done through a Scoreboard, which clearly lists one visible and largely-quantitative metric (that summarizes the team's progress or success), and a qualitative assessment that summarizes the supportive objectives or thematic goal.

Other Details in the Book to Look out For

This is a concise and easy-to-read book, focusing on practical tools, exercises, assessments and real-world examples for overcoming the 5 dysfunctions of teams, to deliver great results. For each of the tips covered in this summary, Lencioni provides case studies/ examples, including facilitation tips for leaders and practitioners.

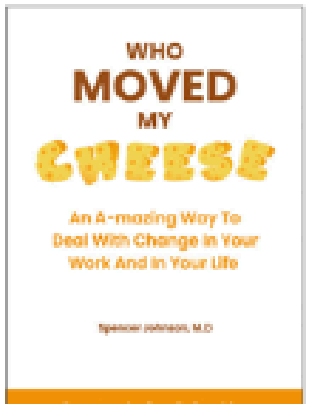
To give a better idea of what is involved in the team-building process, he also provides:

- Answers to a list of commonly asked questions, e.g. How long it takes to build a team, whether to manage the process inhouse or via an external consultant/ facilitator;

KEY QUOTES

"Result oriented teams establish their own measurements for success. They don't allow themselves the wiggle room for subjectivity."

"The key to success for a team is that its members go beyond barter and compromise to embrace a collective pursuit of the best interests of the whole."



WHO MOVED MY CHEESE?

An A-Mazing Way to Deal with Change
in Your Work and in Your Life

SPENCER JOHNSON, M.D.

The Big "So What"

Change is inevitable, yet most people are uncomfortable with it. Through a simple story, this book illustrates how people react to change, and how we can manage change more constructively and effectively. The story provides useful metaphors for us to reflect about our own lives, and the ideas can be used to facilitate discussions and shift attitudes toward change.

Introduction

The story is set in a Maze, and provides an analogy to change in our work and personal lives:

- Cheese represents what we want in life, e.g. a successful career, money, health, freedom, spiritual growth etc.

- The Maze represents our complex world (with blind corners and dark areas), where we try to find our way in search of Cheese.

- The 4 characters represent the 4 types of people we encounter in any change situation. The 2 mice (Sniff and Scurry) keep things simple and cope better with change, while the 2 littlepeople (Hem and Haw) tend to overcomplicate things.

The book is written in 3 sections: "A Gathering" of ex-classmates, "The Story", and "A Discussion" as the classmates reflect on what the story means to them.

In this summary, we'll start by presenting an outline of the story, followed by the key lessons on change.

KEY QUOTES

"Finding Cheese was the littlepeople's way of getting what they thought they needed to be happy. They had their own ideas of what Cheese meant to them, depending on their taste."

The Story

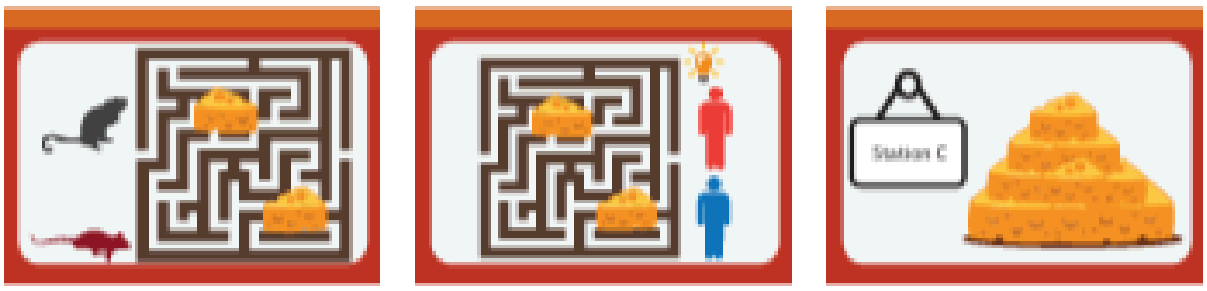
The fable is set in a maze, where the 2 mice (Sniff and Scurry) and 2 littlepeople (Hem and Haw) look for Cheese every day. Cheese has different significance for the 2 mice (who just like to nibble it) compared to the 2 littlepeople (who need Cheese to feel happy and successful).

Each day, the mice and littlepeople leave their respective homes and race into the maze to look for Cheese.

- Sniff and Scurry use trial-and-error, remembering the wrong turns and exploring new areas. Sniff depends more on his nose while Scurry dashes around quickly.

- The littlepeople also learn from their experiences, but they develop more sophisticated ways to find Cheese.

- Eventually, they all find "Cheese Station C", with a large stash of Cheese!



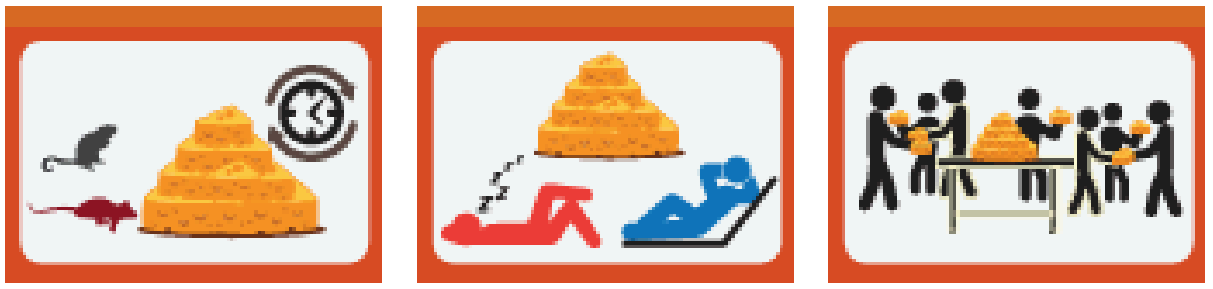
Having found Cheese, both the mice and littlepeople now go straight from their homes to Station C every day to enjoy the Cheese.

- Sniff and Scurry continue to wake up early in the morning, race to the station, inspect the area, then enjoy the Cheese.

- Hem and Haw start out with a similar routine. Over time, they begin to believe that the Cheese will always be there, so they wake up later and stroll over to Station C at their leisure. They don't know how the Cheese got there or who replenishes it, but they think of the Cheese as *theirs*. After all, didn't they work hard to find it? They feel content, secure and successful. They move their homes closer to Station C and even decorate the place. Occasionally, they invite their friends over to show off the Cheese, and to give them a treat.

KEY QUOTES

"Sometimes (the littlepeople) did well, but at other times their powerful human beliefs and emotions took over and clouded the way they looked at things."



As time passes, Sniff and Scurry notice that the supply of Cheese is decreasing. One morning, they arrive to find that there's no more Cheese.

- Since the situation has changed, the mice do the obvious – they change too. They immediately go back into the Maze, in search of new Cheese.

- After scouring the maze for some time, the mice eventually find "Cheese Station N", with an even larger stash and variety of New Cheese.

Hem and Haw, on the other hand, are so comfortable with their seemingly-endless supply of Cheese that they don't notice the decreasing supply. When they arrive later that day, they're stunned.

- Hem keeps yelling and shouting, "Who moved my Cheese?!" and laments how unfair it is. Haw just freezes in shock and disbelief. The Cheese means so much to them, that they dread to think of what would happen without it.

- They keep looking around Station C, returning day after day in hope that the Cheese will somehow show up again. Each day, they fret and worry about their future, feeling upset at the injustice of their Cheese being taken away.

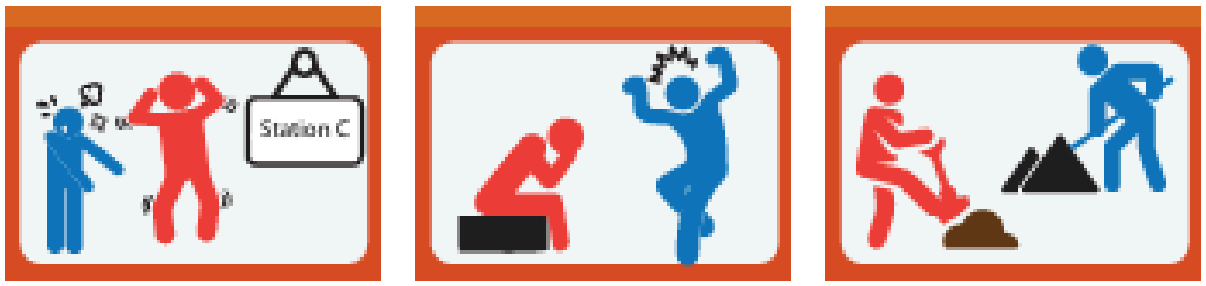
- They rationalize that if they work harder to search around Station C, and use new tools to improve their search, they'll find Cheese.

KEY QUOTES

"The mice did not overanalyze things."

"The littlepeople's behaviour was not very attractive or productive but it was understandable."

"The more important your cheese is to you the more you want to hold on to it."

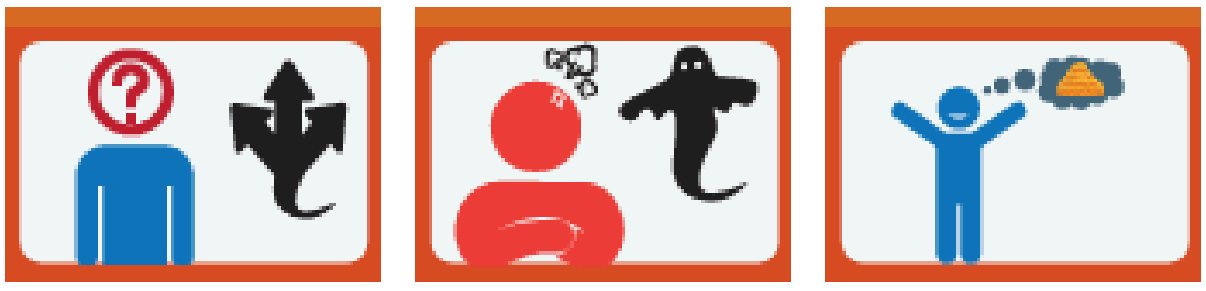


With each passing day, Hem and Haw get progressively weaker, more stressed and afraid to leave Station C.

- Haw finally realizes that being busy isn't going to change anything. He starts to consider leaving Station C to search for more Cheese.

- Hem refuses. He's still angry about how unfair things are. He talks about the dangers in the Maze, how old he is, etc. He doesn't want to fail.

- To make himself feel better about venturing out again into the Maze, Haw imagines himself stepping out with a smile, and visualizes realistic details of what it's like to find New Cheese and to taste it. He laughs at himself, and immediately feels better about letting go and moving on to find New Cheese. He finally gets enough courage to leave Station C.



However, searching for New Cheese isn't easy.

- The Maze has changed, and Haw keeps getting lost.

- He's constantly disappointed to discover a potential Cheese station, only to find it empty, or with leftover bits of Cheese and crumbs.

- He almost gives up, but reminds himself that he's at least taking control of the situation. He asks himself, "what would I do if I wasn't afraid?", focuses on the mental picture of finding New Cheese, and keeps going. As he overcomes his fears and moves ahead with faith, he starts to feel a new sense of freedom.

KEY QUOTES

"Haw was beginning to realize the difference between activity and productivity."

"Sometimes... things change and they are never the same again... Life moves on. And so should we."

"When you move beyond your fear, you feel free."

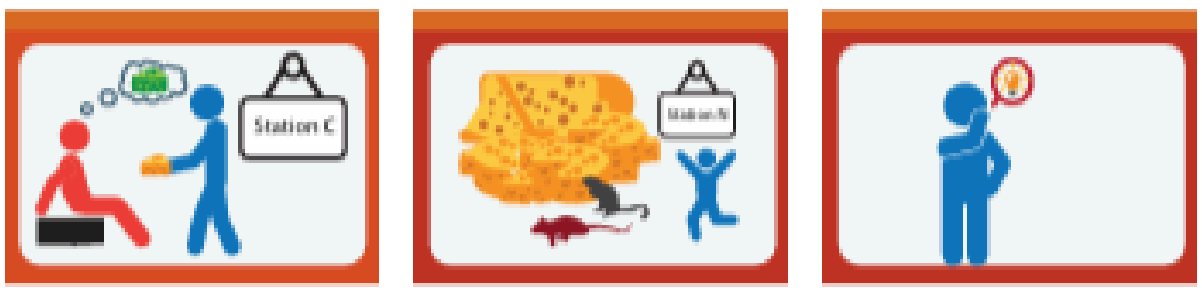
- Along the way, Haw reflects on the situation and writes down his learnings and insights on the walls, both as a reminder to himself, and to leave a trail for Hem to follow if he choses to leave Station C.

As Haw gains courage, he ventures into newer parts of the Maze, and finds new types of Cheese that he has never tried before.

- Haw brings back some New Cheese for Hem, but Hem refuses to try it. Hem is sure he won't like New Cheese; He only wants Old Cheese.

- Haw continues his search, confident that he'd eventually find New Cheese. The bits of Cheese that he finds along the way help to sustain him. With more energy and confidence, he starts to enjoy the process, and tries more new routes.

- Finally, Haw finds Station N. As Haw savours the New Cheese at Station N together with Sniff and Scurry, he continues to apply the lessons that he has learnt. Now, he examines the station for signs of change daily, so he won't be caught by surprise. He also spends part of his time exploring the Maze to stay in touch with the outside world.



- Haw contemplates returning to look for Hem, but realizes that Hem has to help himself by deciding to change first. Haw can only hope that the writings on the wall will help Hem to find his way.

KEY QUOTES

"Haw realized he had been held captive by his own fear. Moving in a new direction had freed him."

"He was letting go and trusting what lay ahead for him, even though he did not know exactly what it was."

"The quicker you let go of old cheese, the sooner you find new cheese."

"A change imposed is a change opposed."

Change: Reflections and Lessons

The 4 characters in the story mirror our common responses to change. Consider: **which character are you like?**

- *Sniff* is able to sniff out the situation and uncover changes early;
- *Scurry* moves quickly into action;
- *Haw* learns to adapt and make changes for better outcomes; and
- *Hem* denies change and prefers to stay in his comfort zone rather than deal with reality.

What are the Cheeses in your life? "Cheese" means different things to different people, e.g. a happy family, successful career, or spiritual growth. Still, every Cheese eventually runs out, and there's always New Cheese out there.

- Often, we may think that our *Old Cheese* is our only Cheese, and we hang on to it, e.g. an old business model, an old group of customers, or an old relationship. Ask yourself: What Old Cheese are you hanging on to?
- Consider the changes you can make in both your work and personal life. For example, how can you let go of bad behaviours and refresh a stale relationship, and what *New Cheese* can you find together with your spouse?
- In fact, rather than wait for the Cheese to run out, you can explore *moving your own Cheese*. For example, you can take proactive steps to transform old store concepts that aren't working, and try out fresh ideas rather than wait to take action only when new competition arrives on the scene.

Change is inevitable, and is happening all the time, whether you like it or not. In short, the Cheese will keep moving. Rather than be caught by surprise, *expect change*, and learn to *move with it*, over and over again.

Stay Vigilant. There are always hints of impending change. Be

KEY QUOTES

"When you change what you believe, you change what you do."

"Sometimes we're not even aware that we're afraid."

"It's a lot better to initiate change while you can than it is to try to react and adjust to it."

"Change could surprise you only if you didn't expect it and weren't looking for it."

on the look out for small changes, so you're better prepared for the bigger changes to come. Haw realizes on hindsight that, before the Cheese at Station C "disappeared", it was already dropping in quantity, and was starting to smell and taste stale. Had he been alert, he would not have been caught by surprise.

Adapt Quickly. There is always New Cheese out in the Maze.

- The faster you let go of your Old Cheese, the sooner you can find and enjoy New Cheese.

- In fact, if you wait too long, you may be too late and become extinct. People who are unaware of changing job requirements, or are unwilling to adapt, may find themselves being fired or laid off. Many established business that refuse to accept changes have also become obsolete.

Overcome Fear. Keep things simple like Sniff and Scurry, so you can change and shift easily. Don't overanalyze things and become paralyzed by fear.

- Often, we're in denial or are unaware of our own fears. Ask yourself, "*What would I do if I wasn't afraid?*"

- Learn to *laugh at yourself* and your mistakes. Have fun and enjoy the adventure.

- *Focus on the New Cheese* you can gain, rather than the Old Cheese you have lost or can lose.

Leading Change. Instead of trying to cope with the rat race and manage your workload, consciously plan for and lead change.

- Paint a *vivid picture* of the New Cheese and share it with your team.

- *Manage all 4 types of characters*: (i) Use *Sniffs* to identify changes, (ii) use *Scurrys* to get things done with guidance, (iii) help *Haws* to overcome their initial scepticism, embrace the vision and open up to new possibilities, and (iv) convert *Hems* to Haws through a clear vision and showing them how others are also making the change. However, there'll always be some Hems who choose to play victims and blame others, and you should be prepared to let them go.

KEY QUOTES

"Noticing small changes early helps you to adapt to the bigger changes that are to come."

"Smell the cheese often so you know when it is getting old."

"What you are afraid of is never as bad as what you imagine."

"The fastest way to change is to laugh at your own folly – then you can let go and quickly move on."

"When you see how it can make things better, you get more interested in making the change happen."

"The biggest inhibitor to change lies within yourself, and... nothing gets better until you change."

- *Share this story* to facilitate discussions about change (e.g. which character(s) people relate to, what are their Old vs New Cheese), and shift attitudes toward change (no one wants to be Hem!).

Other Details in the Book to Look out For

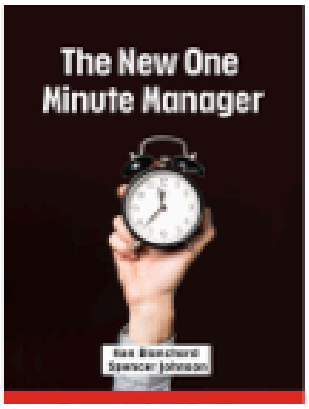
This is a short and easy to read story, that can be easily shared with others. For more details, training and learning product information, please visit www.whomovedmycheese.com.

About the Author

Spencer Johnson, MD is one of the most admired thought leaders andwidely-read authors in the world. Called "The King of Parables" by USA Today, Dr. Johnson is an expert intaking complex subjects and presenting simple solutions that work. Besides his book, he is also the co-author of best-selling book, "The New One-Minute Manager.".

His brief books contain insights and practical tools that millions of people use to enjoy more happiness and success with less stress. For more details, visit, www.spencerjohnson.com.

KEY QUOTES



THE NEW ONE MINUTE MANAGER

KEN BLANCHARD &
SPENCER JOHNSON

The Big "So What

In this updated version of the bestselling book, *The One Minute Manager*, the authors share 3 important secrets that will help you to concurrently get better results, have more time, and empower the people around you to be more effective and fulfilled. Apply these powerful tips to both your work and personal life, to enjoy a happier and more fulfilling life.

Introduction

This book retains the core ideas from the original bestseller, *The One Minute Manager*, with updates to reflect the changes in attitudes and priorities at the workplace over the last 35 years. In particular, the pace of change has increased rapidly. People are also no longer content to just trade time for money in a job, and to find fulfilment during off-work hours. Instead, people seek satisfying jobs where they can make meaningful contributions, feel engaged and appreciated.

Similar to the original book, the authors use a fable to illustrate the key ideas. The story is about a smart young man, who has been looking all over the world for a great manager to work for and learn from. He finds that most companies are either results-driven (focusing on profits and targets at their people's expense), or people-driven (taking care of their people to the point that organizational objectives are not met). He finally finds a great manager - who is known as the "New One Minute Manager", or "New OMM" for short in this summary. The New OMM

- Has found the secret formula to concurrently achieve results for the company, and fulfilment for his team; and
- Is able to adapt his techniques to keep up with rapid changes.

KEY QUOTES

"We trust you'll consider using the Three Secrets you'll discover...you and the people you work and live with will enjoy healthier, happier, and more productive lives."

"In these changing times... the most effective managers manage themselves and the people they work with so that both the people and the organization profit from their presence."

"Just as the world has changed, so has the One Minute Manager. He has a new, more collaborative approach to leading and motivating people."

By interviewing the New OMM and his managers, the young man discovers the 3 Secrets of the New OMM, is eventually offered a job, and becomes a New OMM himself. In this summary, we'll present the key components of the 3 Secrets.

The Three Secrets of the New One-Minute Manager®

Let's zoom in on the 3 secrets of the New OMM.

Secret #1: "One Minute Goals"

One common problem in organizations is the lack of clearly defined roles and responsibilities. In order for people to be effective:

- They must know exactly what their goals are and what success looks like; and
- This definition must be shared between the staff and supervisor.

To use One-Minute Goals effectively:

Develop the goals with your staff. Listen to them, show them what it means to perform well, and discuss the goals together. Do *not* set goals for people.

One-minute goals. Zoom in on the 3-5 most vital goals and have your staff write them out – including what needs to be done and by when – on *1 page*.

- o *Focus on the 20%* that will deliver 80% of the results.
- o The goals and performance standards must be presented succinctly (in, say, 1-2 paragraphs) and *can be read in 1 minute* or less.
- o *Share the goals* so everyone is aligned.
- o Goals for special projects, if any, should be documented with separate one-page goals.

KEY QUOTES

"To succeed sooner, managers must be both results-oriented and people-oriented."

"Many managers assume wrongly that the people on their team know what to aim for."

"(The) Manager makes sure we know what good performance looks like because he shows us. In other words, expectations are clear to both of us."

This paves the way for you to apply the other 2 secrets of the New OMM: to praise people when they do something right, and *re-direct* them when they are off-track.

Secret #2: "One Minute Praisings"

Most people don't know how they are performing, nor how they can improve. Often, managers wait until the annual performance review to provide feedback – by then, there're too many incidents or issues to be addressed in specific, actionable detail.

Once you notice a staff doing something right, offer your one-minute praise:

Share your praises (30 seconds). Share your positive feedback as soon as you can:

- Tell them specifically what they did right
- Share how good you feel about their actions, and how they contribute to the goals, team and/or organization.

Pause for a short while. Allow your staff a moment to take in the praise and feel good about their actions.

Affirm your staff (30 seconds). End off by reminding them of your confidence in them, assuring them of your support, and encouraging them to keep up the great work.

This secret is so powerful because it helps your staff to achieve small wins and successes, which make them feel good about their work, and help the organization to achieve its goals. Specifically:

Your staff are receiving immediate feedback (rather than waiting for a performance review), and it gives them **confidence** to do more of what works;

Your specific feedback shows that you're aware of your staff's efforts and sincerely care about their work. This makes them feel **appreciated;** and

As a manager, you become more **consistent** in offering timely, positive feedback based on good behaviours (rather than your mood). Over time, your staff will learn the desired behaviours, and can even affirm themselves.

KEY QUOTES

"The more we understand why something works, the more apt we are to use it."

"Help people reach their full potential. Catch them doing something right."

However, for this technique to work, the praise must be deserved and sincerely-delivered.

Don't wait for 100%. Recognize that people can't become perfect overnight, and we should be ready to praise and affirm people when they achieve progress and near-successes.

Use smaller-goalposts for newbies. For new staff, it's vital to set smaller targets that can be achieved more easily, and affirm each small win. It's like encouraging a child who's learning to walk or speak - we don't expect them to walk or speak perfectly from the onset; instead, we're genuinely excited with every small progress that they make. Set people up to win.

Secret #3: "One Minute Re-Direct"

What happens when people make mistakes or do something wrong? Similar to the one-minute praising, the key is to provide feedback as soon as possible, using the "One-Minute Re-Direct".

In the previous version of the book, this was known as the "One Minute Reprimand". However, in today's fast-moving environment, what worked well yesterday may have become redundant today, and people expect more appreciation and fulfilment at work. The One-Minute Re-Direct is more effective for framing the feedback as a way to help people see different perspectives or solutions.

Once you're aware of a mistake, quickly check if the goal is clear; if not, start by clarifying it. Then, apply the One-Minute Re-Direct:

Address the mistake (30 seconds). Share your feedback as soon as possible:

- Verify the facts, and review specifically what didn't go well.
- Share how you feel about the mis-step, and how it affects the goals, team and/or organization.

Pause for a short while. Allow the message to sink in and give the staff a moment to feel the implications of their mistake.

Affirm the staff (30 seconds). End off by affirming your belief and trust in your staff. Let them know that you still think highly of them as individuals (i.e. they are better than the slip-up), you're confident they'll not repeat the mistake, and you're glad to have them on your team.

KEY QUOTES

"The key in the beginning... is to catch somebody doing something approximately right until they can eventually learn to do it right."

Re-directs need to be delivered with respect and genuine concern for the other person; otherwise they can backfire.

Remember that your goal is to **build people up and enable change,** so they will do the right things in future. Hence, it's important to end on a positive note. You want people walking away from the interaction thinking how they can do better, rather than feeling angry and indignant.

Separate the action from the person. People who are defensive do not learn from their mistakes; they will simply deny the fault, or blame others. Your goal is *not* to put people down. Be hard on the mistake or behaviour, but be gentle on the individual and preserve their self-worth.

This principle should be applied to the New OMM too – **when you make a mistake, admit to it quickly.** In fact, you can even ask your staff to point out your mistakes, and learn to laugh at yourself and your faults.

Don't hold on to past mistakes. **Once a re-direct is done, move on** and look head. However, if someone continues to make the same mistakes, despite several redirects, the New OMM needs to step back and assess the situation objectively (removing emotions from the evaluation). If it's clear that the person is *able* to do the job but *refuses* to do it, then it may warrant a decision to remove him/her from the team.

Putting it Together

A Collaborative Approach

The New OMM approach is about collaborating with, and helping, your team members to deliver great results on their own, so the organization can perform and adapt in a fast-moving environment at all levels. Here are some important principles behind the approach.

Heavier upfront investment. Initially, when people are new and inexperienced, the New OMM must invest more time to guide them – observe their work, highlight what's right, and show them how to make great decisions. The earlier people can get feedback, the faster they can learn. Once people function effectively, the New OMM can gradually let go.

KEY QUOTES

"Reaffirming them after you've addressed the mistake focuses on their behaviour without attacking them personally."

"We are not just our behaviour. We are the person managing our behaviour."

"Since speed is a currency of success now, leading with collaboration is far more effective than the old command-and-control system."

"The best minute I spend is the one I invest in people."

Facilitation. The New One-Minute Manager meets his team once a week. Here, the team goes through their accomplishments for the previous week, sets out what must be done next, and how. The New One-Minute Manager's role is to *facilitate* staff learning and decision-making (not to instruct or direct). Team members are responsible for making sound decisions and following up on them. Unlike a top-down approach, this allows people to handle problems effectively as they arise, rather than depend on their manager for direction.

Feeling great about work. If people are an organization's most valuable resource, it's important to dedicate time and resources to developing people (not just improving salaries, technology or hardware). The end-goal is to help people to become great at solving problems, delivering results independently, and feeling good about it – this is when people thrive and produce the best results.

Focus on the core and adapt. Obviously, each of the secrets may not be implemented in exactly 1 minute, and the New OMM must constantly adapt to stay relevant. The key is to refocus on key goals using the 80-20 rule, and give timely and specific feedback so you and your team can stay ontrack to deliver results that matter.

Why The 3 Secrets Work

Goal setting and performance management in most organizations are like playing bowling with a blindfold on. If you can't see the pins, you don't really know where to aim. If you can't see where your ball lands or which pins you've hit, it's hard to improve or stay motivated. The New OMM approach is akin to removing the blindfold, so everyone can see the pins immediately, and the managers can coach the players to improve.

Obviously, it will be ideal to hire star players, give them their 1-page goal and have them score 100% all by themselves. Unfortunately, such people are rare and expensive to hire. On the other hand, it's also ineffective to hire average people, leave them alone and hope that they'll miraculously deliver outstanding results.

The best way is to hire people with potential, and methodologically coach them to become star players. The One-Minute Goals give people a *clear target* to aim for, and the One-Minute Praisings and

KEY QUOTES

"People who feel good about themselves produce good results."

"It often takes only a minute to refocus on goals and give people important feedback on how they're doing."

"Rather than punish inexperienced people who are still learning, we need to re-direct them."

One-Minute Re-Directs help them with *progressive* course-correction, until they have the knowledge and skills to achieve stellar performance

By jointly setting clear goals, and giving specific feedback in small doses, you enable people to do more of what is right, and stop mistakes as early as possible (rather than accumulate all the negative behaviours and dumping them at the end of the year). When people succeed, feel confident and affirmed in their work, they will push themselves to do even better. The 3 secrets of the New OMM allow you to concurrently focus on people *and* results, so both the staff and organization win.

Remember: people work for themselves not for you as the manager. Your true goal is to empower people to self-manage *and* feel good about it, so you need not manage them. That way, you'll free up your own time to plan and improve your own results, enjoy less stress and more time for yourself and your loved ones, and positively impact others to enjoy greater success and fulfilment.

KEY QUOTES

"Performance review should be an ongoing process, not something you do only once a year."

"Your job is to show people how to manage themselves and enjoy it. You want them to succeed when you're not around."

Other Details in the Book to Look out For

This is an extremely easy-to-read book, presented in a short story that anyone can identify with. Although the ideas are simple, they have remained relevant after 35 years, and are practical and easy to apply in our hectic workplace.

If you enjoy the ideas in this summary, do get a copy of the book or get more tips and ideas from http://newoneminutemanager.com. Do also share the posts and tips provided on their website.

- Don't seek to beat others; seek to beat yourself. Never be satisfied with your results; continuously push yourself to do even better tomorrow.

Scroll IX: "I will act now."

Big dreams and goals are useless if they're not backed by real action. Your actions may not bring instant results, but without action there'll definitely be no results.

Your actions will determine the value you create. To multiply your value, multiply your actions.

The best way to overcome your fear is to take action in spite of it. Remind yourself repeatedly "I will act now". When you face rejection, take action to knock on the next door immediately. When you feel like procrastinating, take action now instead. When you face a distraction, take action to move away from it right away.

Scroll X: "Pray to God for Guidance"

Regardless of our religious beliefs, all of us instinctively pray for help when we're desperate.

Don't pray for material things or rewards. Instead, pray for guidance on how to achieve your goals.

Scroll X ends with a salesman's prayer. Use it to seek guidance to develop your abilities and tap on opportunities, to stay courageous in face of challenges and your weaknesses, to stay humble despite success, to have the discipline and persistence to keep trying, to develop good habits, be grateful and fulfill your true potential.

Other Details in the Book to Look out For

Mandino has carefully worded the original text in each of the 10 scrolls to help readers to grasp the meaning behind the principles. According to Mandino, the key to success is to read each of the 10 scrolls in sequence, 3 times a day for 30 days each. To download the scrolls and get more details and resources, please visit www.ogmandino.com.

KEY QUOTES

"To surpass the deeds of others is unimportant; to surpass my own deeds is all."

"Only action determines my value in the market place."

"Action is the food and drink which will nourish my success."

THE 5 SECOND RULE

Transform Your Life, Work, and Confidence with Everyday Courage

Mel Robbins

The Big "So What"

This book presents a simple but powerful method to take decisive action, build confidence and courage, and achieve success in any area of life, 5 seconds at a time.

Unleashing Potential with the 5 Second Rule

The 5 Second Rule is a straightforward tool designed to combat doubt, fear, and hesitation. The Rule is simple: Once you have an impulse to act on a goal, you must push yourself to act within 5 seconds, before your brain has the chance to kill the idea.

- This rule operates as a *metacognitive tool*, tricking your brain into executing something you know you should do, but typically avoid.

You can use the Rule for virtually any aspect of your life. The key is to stop over-thinking and start taking action.

- By the time this book was published, more than 100,000 people globally had already benefited from the Rule. Robbins shares many *social media excerpts and testimonials* to show how you, too, can use the rule to:

  (i) Improve health and wellness, e.g. going the gym or resisting junk food;

  (ii) Advance your career aspirations, e.g. seizing opportunities to improve your skills/network, or asking for pay raise;

  (iii) Improve productivity and results, e.g. stop procrastination, finish a degree, or improve your financial situation; and

KEY QUOTES

"If you're searching for that one person who will change your life look in the mirror."

"You change your life one five-second decision at a time."

"I was the problem and in five seconds, I could push myself and become the solution."

"Change comes down to the courage you need every day to make five second decisions."

(iv) Improve emotional regulation, e.g. calm down instead of snapping at others, stop excessive worrying, quit drinking, or manage depression.

- In *this summary*, we will start by explaining the 5 Second Rule, before elaborating on how to apply it to transform your life.

How Did The 5 Second Rule Come About?

Mel Robbins discovered the 5 Second Rule during a low point in her life, when she was struggling with financial troubles, a failing marriage, and career problems. She was filled with self-doubt and anxiety, and struggled to get out of bed each morning.

- One night, she saw a *rocket launch countdown* in a commercial, and felt inspired to adopt a similar approach to propel herself out of bed.

- The next morning, she *counted down "5-4-3-2-1"*, then pushed herself out of bed. She soon found that the method also worked consistently to overcome inertia, fear, or hesitation in other aspects of her life. This became the now-popular "5 Second Rule".

Overthinking makes even the smallest action—be it speaking up at a meeting, asking for help, or saying "no"—seem scary and difficult. In face of a challenge, your response in the first 5 seconds can decide whether you hold back or take positive steps toward your goals.

- By pushing you to take action, the Rule helps you to learn new things about yourself and unleash your inherent potential. The more you take action in spite of your fear and doubt, the more confident you become, and the more it builds your propensity for action, creating a *virtuous cycle*.

- By contrast, the more you succumb to your fears and excuses, the more it reinforces your sense of inadequacy or self-doubt, holding you back in a *vicious cycle*.

KEY QUOTES

"When it comes to change, goals, and dreams, you have to bet on yourself. That bet starts with hearing the instinct to change and honoring that instinct with action."

"The Rule will work every time you use it. But you have to use it."

"Pushing yourself to take simple actions creates a chain reaction in your confidence and your productivity."

Scientific Foundations of the 5 Second Rule

When and how do you use the 5 Second Rule? Use the Rule whenever you feel the impulse to do something you know is good for you, yet feel uncertain or hesitant about. Just count backward "5-4-3-2-1-GO". The moment you hit "GO", act immediately.

Some people dismiss the 5 Second Rule because it seems too simple to be useful. Yet, this Rule is backed by science.

- It's human nature to *avoid risk and change*. Given a chance, the brain will generate excuses to maintain status quo, and such thoughts grow louder with time. So, the key is to push yourself to take action *before* the fear-laden thoughts even begin.

- *The counting is crucial* to keep your mind focused on the task at hand, so it doesn't get the chance to start conjuring objections and hurdles. Having said that, counting forward doesn't work, as the numbers can run in perpetuity. You must count backward, so there's a finite end-point when you hit "1".

- It doesn't matter how you feel at the end of the countdown. Just act regardless, because the first step will *generate a chain reaction*.

  (i) When you take physical action, your physiology changes, and excuses melt away. The more you take action, the more confident and productive you feel. The small steps accumulate to create a *massive compound effect*. You feel more in control of your life, which gives you even more motivation to keep going.

  (ii) Over time, you form *new habits* with a bias for proactive action. Instead of getting paralyzed by analysis, or reacting passively to circumstances, you become more proactive and open to try new things.

- In psychology, the "*Golden Rule of Habits*" says that to change any habit, you must replace one behavioral pattern with another. The best way to counteract hesitation is to use it as a cue for action. Use it to concurrently:

KEY QUOTES

"The Rule doesn't make things easy; it makes them happen. That's why I describe it as a tool."

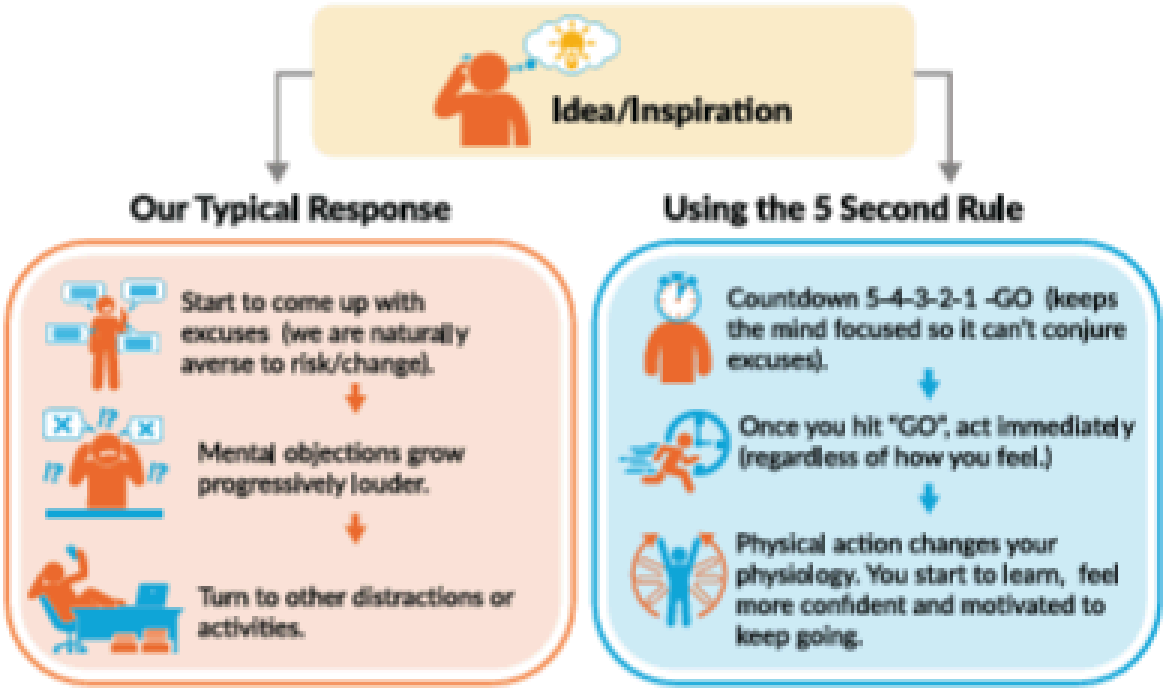
"Start before you're ready. Don't prepare. Begin."

"Starting rituals interrupt your bad default patterns and trigger new, positive patterns."

(i) Break old habits of procrastinating, overthinking, or giving in to self-doubt and fear; and

(ii) Build new habits of taking action in spite of uncertainty.

- As you use the countdown system repeatedly, you are essentially *reprograming your mind*.



Transforming Your Life, 5 Seconds at a Time

At first glance, the 5 Second Rule sounds similar to Nike's "Just Do It" slogan. However, "Just Do It" is a concept or a philosophy, whereas the Rule is a tool to push yourself to do what you need to do. It concurrently serves as a framework, a method, and a source of courage.

"Change your decisions and you'll change your life. And what will change your decisions more than anything? Courage."

The Power of Courage

Courage doesn't have to involve monumental actions or changes. It could involve simple acts like writing a book, asking for a pay raise, quitting drugs, or approaching someone attractive. In fact, small daily actions can lead to big changes.

- For example, Rosa Parks, a seamstress from Alabama, became a central figure in the American civil rights movement. On December 1, 1955, after a long day at work, Parks boarded a city bus and sat in the section designated for colored passengers. As the bus filled up, the driver demanded that

"Every single day we face moments that are difficult, uncertain, and scary. Your life requires courage. And...the Rule will help you discover the courage to become your greatest self."

KEY QUOTES

"If you master the Rule you will reprogram your mind. You will teach yourself new behavior patterns."

she give up her seat to a white passenger. Parks refused and was arrested. Her act of defiance led to the formation of the Montgomery Improvement Association (led by Martin Luther King Jr), and galvanized the civil rights movement.

- Both Parks and King emerged as icons of the movement. They acted on spontaneous impulses to resist injustice, without prior planning. Had they considered the risks, their resolve might have wavered.

All of us have experienced similar moments when we feel a strong urge to act, whether it's reaching out to a friend in need, speaking up in a meeting, or embarking on a meaningful project. Yet, we hold back.

- The 5 Second Rule empowers us to *overcome this hesitation*. It spurs action that can lead us down a totally different path than if we had remained passive.

There's no "perfect time" to act. The right time to act is now.

- Consider these *2 examples*:

  (i) Michelangelo is renowned for painting the Sistine Chapel. Yet, when he was approached by the Pope in 1506, he initially rejected the project and fled to Florence out of self-doubt. He only started the job after 2 years of persistent requests by the Pope.

  (ii) In 1977, Steve Jobs and Steve Wozniak received an investment offer to launch Apple Computers. Wozniak was initially too scared to quit his job, and only made the leap after strong encouragement from Jobs, friends, and family.

- By hesitating, *what opportunities are you missing?* Don't waste your life waiting for the perfect moment. Your biggest regrets are more likely to come from inaction than from failed actions. Ask yourself: What are you waiting for? What if your concerns are wrong? And, even if your fears came true, so what?

Ultimately, success is a numbers game. The more you do something, the more likely you'll succeed.

- Your actions might not guarantee success, but inaction ensures failure. *Keep moving forward* until you arrive at your goals. For example:

KEY QUOTES

"Courage is found in unlikely places."
– J.R.R. Tolkien

"I have learned over the years that when one's mind is made, this diminishes fear; knowing what must be done does away with fear."
– Rosa Parks

"If you have the courage to start, you have the courage to succeed."

"There is no right time. There is only right now. You get one life. This is it. And it's not going to begin again."

"The only thing that will quiet the chatter in your head is a decision to move."

"When you push yourself, you may not change the world… but I can guarantee you'll change something equally as important—you'll change yourself."

"The difference between people who make their dreams come true and those of us who don't is just one thing: the courage to start and the discipline to keep going."

(i) Mobile game developer Rovio launched 51 unsuccessful games before hitting a home run with Angry Birds.

(ii) Actor Mark Ruffalo auditioned for almost 600 roles (without being hired) before he landed the lead role in the Avengers.

(iii) James Dyson created 5,127 prototypes before he arrived at the design for his iconic vacuum cleaner.

(iv) Picasso is famous for 100 art masterpieces, but he actually created >50,000 art pieces in his lifetime, most of which were not considered to be masterpieces.

Taking Action Regardless of How You Feel

Neuroscientist Antonio Damasio found that 95% of our decisions are driven by emotions, not logic.

- When we make a decision, we're actually asking "*Do I feel like doing this?*", not "Should I do this?" Change is so hard because our feelings tend to get in the way, even if we know logically that it's good for us.
- The 5 Second Rule effectively separates *emotions from actions*, pushing you to act despite your feelings.
  (i) If you feel too tired to go to the gym, just 5-4-3-2-1 and do it anyway.
  (ii) If you feel like your idea isn't good enough, just 5-4-3-2-1 and share it anyway.
- It takes more energy to get out a state of inertia than to keep moving. Once you take action, it generates a burst of *activation energy* that makes it easier to keep moving ahead. In the process, you generate even more momentum.

The best way to start applying the Rule is to set your alarm 30 minutes earlier than usual, then use the 5-4-3-2-1 countdown to get out of bed immediately.

- *This is effective because*:
  (i) There's no grey area: you're either up 30 minutes earlier, or not.

KEY QUOTES

"Courage is the commitment to begin without any guarantee of success."
– Johann Wolfgang Von Goeth

"If you only act when you feel like it, you will never get what you want."

"Whether you think you can or you can't, you're right."
– Henry Ford

"You can't control how you feel. But you can always choose how you act. Confidence is a skill that you build through action."

"That's how confidence grows—one small, courageous move at a time."

(ii) Once you change your morning routine, it gives you the confidence to change anything in your life.

(iii) You'll personally experience the power of activation energy, and realize how easy it is to keep going once you're on the move.

- Next, you can *apply the Rule in 3 transformative ways* to:

(i) Change habits and behaviors;

(ii) Master your mind; and

(iii) Act with everyday courage.

Changing Habits and Behaviors

You can use the Rule to break negative habits and form positive habits, such as improving your health, boosting productivity, and overcoming procrastination.

Improving health: Most diet or exercise programs work if you take consistent action. Unfortunately, most of us take action only when we feel like it.

- Set a *personal health goal*, whether it's running a marathon, daily pushups, reducing sugar intake, or going for a health checkup. Then, use the 5 Second Rule to push yourself to take action regardless of how you feel. For example:

(i) 5-4-3-2-1-GO and choose a healthier snack: turn away from the donut and pick up a piece of fruit instead;

(ii) 5-4-3-2-1-GO and start your home workout, such as pushups, sit-ups, or jumping jacks; or

(iii) 5-4-3-2-1-GO and plan your meals for the day, ensuring they're balanced and healthy.

- Usually, the hardest part is to *get started*. After you take your first step, just keep going and you'll see massive results.

The 5 Second Rule also helps to improve your productivity by achieving 2 types of focus:

KEY QUOTES

"When you act with courage, your brain is not involved. Your heart speaks first and you listen. The Rule will teach you how."

"To reach your potential, you'll have to push yourself—there is no other way."

"Stop thinking about how you feel. Your feelings don't matter. The only thing that matters is what you DO."

"Exercise and health comes down to one simple rule—you don't have to feel like it. You just have to do it."

- *Eliminate distractions* to concentrate fully on the task at hand. Once you notice a distraction, start the countdown to remove it.

- *Direct your focus to what's truly important*, not on menial tasks and time-wasters. The best way to do so is to establish a *morning routine*: set your intentions and get crystal-clear on your most important tasks for the day. Robbins' routine goes like this:

  (i) Get up when the alarm rings; don't snooze. Scientists found that hitting the snooze button can make you feel tired for hours, because you're start a new sleep cycle (which usually lasts 90-110 minutes) then interrupting it.

  (ii) Put your alarm in the bathroom so you must get up to turn it off. As you brush your teeth, focus on the big things to do that day to make progress on your personal goals.

  (iii) Wake up 30 minutes earlier to plan out your day. Write down the top 3 "musts" for the day and why they're important for you. Ideally, start working on the items right away, or schedule them for later in the day. Don't start replying to emails or messages until you get to the office.

  (iv) Plan out when you'll stop working and take time to recharge yourself.

The 5 Second Rule is the perfect weapon to fight procrastination.

- *Strategic procrastination* can be helpful for creative processes—where you set aside a project temporarily to allow fresh ideas to surface.

- However, it's often destructive when you avoid something that needs to get done. We procrastinate not because we're lazy or undisciplined, but as a coping mechanism. By avoiding work to shop online or watch a video, we're seeking *temporary stress relief* and getting a boost of feel-good dopamine. Ironically, this only creates more stress as our work builds up.

- Use the 5 Second Rule to *battle destructive procrastination*:

  (i) Stop beating yourself up for procrastinating so you can move forward. Do a countdown and forgive yourself.

KEY QUOTES

"Interruptions of any sort are the kiss of death for your productivity."

"Nothing will work unless you do."
—Maya Angelou

"You'll either find a way or you'll find an excuse."

(ii) Visualize your future self—someone successful and productive—and ask, "What would my future self do?" Then 5-4-3-2-1-Do it.

(iii) Each time you feel yourself hesitating, do the countdown and just launch into the task.

Master Your Mind

The 5 Second Rule can be used to combat persistent anxiety, worries, and fear, to help you focus on things that bring you joy instead.

For 2 decades, Robbins relied on medication to manage her anxiety. After discovering the Rule, she could habitually redirect her thoughts to positive things, improving her confidence and mental control.

Worrying is futile as it often involves events that are unlikely to happen. In any case, worrying won't prevent or solve the issue.

- The moment you start worrying, use the Rule to *switch to positive thoughts*, like the things you're grateful for. The more you think about the great things in your life, the less time/energy you have to worry about imaginary worst-case scenarios, and the more you can enjoy each moment in your life.

You can also use the Rule to curb anxiety, which kicks in when your worries spin out of control.

- Anxiety can escalate into *panic attacks*, marked by adrenaline surges and a state of hyper-alertness, even though there's no real danger. In such a state, it's ineffective to tell yourself to calm down, as your mind is frantically seeking the cause of your anxiety.
- Instead, use the 5 Second Rule to regain control of your mind and *reframe the anxiety as excitement*. For example, if

KEY QUOTES

"Go the extra mile. It's never crowded."

"Rule your mind, or it will rule you."
—Horace

"When your mind takes you somewhere sad, dark, doubtful, or negative, you don't have to go with it."

"You are braver than you believe, stronger than you seem, and smarter than you think."
– A.A. Milne

you feel your nerves kicking in before a public speech, do a countdown the say, "I'm so excited to get out there and share my message!" This works because anxiety and excitement feel similar to your body. By labeling anxiety as excitement, you calm your mind and turn your stress into an advantage.

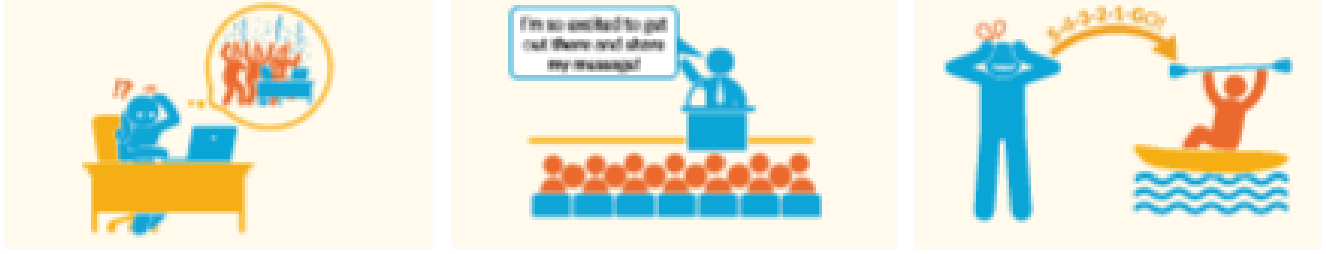
Use a similar approach to overcome fear, such as the fear of flying.

- Before a trip, *anchor an image* of what you're excited to do once you get there.

  (i) Once you feel nervous, use the 5 Second Rule to bring up the anchor image. Your brain will calm down once it interprets the fear as excitement.

  (ii) When you do this repeatedly, the brain will stop thinking of flying as a scary event, and you'd have conquered your fear.

Stop Worrying | **Curb Anxiety** | **Overcome Fear**



Act with Everyday Courage

The 5 Second Rule gives you the courage to face daily challenges, to help (i) increase your self-confidence, (ii) discover your passions, and (iii) enrich your relationships.

Confidence stems from self-belief, not personality traits. You can increase your confidence like any skill.

- According to psychologist Professor Brian Little, some personality traits are fixed, but many are adaptable to our goals and needs. Each time you use the Rule to do something that's "not like you", it gradually *shifts your self-perception*. For example, you might think you're not the type of person to talk to strangers. Yet, if you use the Rule to introduce yourself to 3 strangers daily, it shifts your perception of self.

KEY QUOTES

"It's okay to be scared. Being scared means you're about to do something really, really brave."

"All our dreams can come true if we have the courage to pursue them."
- Walt Disney

"Master your mind and anything is possible."

"The cave you fear to enter holds the treasure you seek."
– Joseph Campbell

"If you have the courage to take action, your confidence will follow."

"Confidence is created by the small things you do every single day that build trust in yourself."

- The more you use the Rule to practice acts of courage, the more you feel in control of your life, and the more confident you feel.

Use the Rule to actively explore your feelings, engage with topics that spark your interest, and progressively discover your passions.

- Notice what consistently draws your *curiosity or envy*, and pause to explore your underlying feelings and desires.
- Take some simple steps to *learn about the topic*, e.g. read up on it, watch some video tutorials, talk to people in that field, or take a class. Over time, you can learn enough to become an expert in a specific area.
- Often, discovering your passions starts with acting on an instinct, then building momentum one step at a time. At some point, you might decide to *make a real commitment* and turn your passion-project into a full-time career. The key is to have the courage to keep following your heart.

The 5 Second Rule also helps to enrich your relationships. Use the Rule to overcome fears of vulnerability or conflict, freeing yourself to express your thoughts/feelings and strengthen your relationships.

- *Don't leave important things unsaid*. Do a countdown, then speak your mind or reach out to connect with someone. The more openly and authentically you communicate, the more your relationships will deepen and grow.

Other Details in the Book to Look out For

The book is filled with testimonials and social media excerpts to show how people worldwide have been positively impacted by the 5 Second Rule. Th effects range from enhancing personal health/

KEY QUOTES

"The answers are inside of you if you have the courage to listen...It starts with listening to what's inside of you and ends with the courage to go where it leads."

"Don't tell people your dreams. Show them."

"An act of courage is always an act of love."
– Paulo Coelho

"Intimacy takes courage."

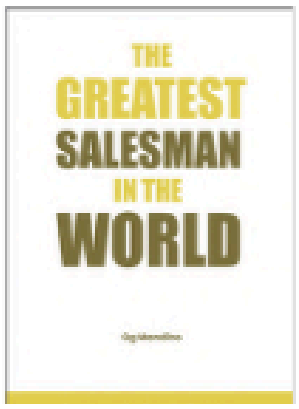
"Speak from your heart, even if your voice shakes."

wellness, to improving finances, career, emotional regulation, and even overcoming addiction. For more details, please visit melrobbins.com.

About the Author

Mel Robbins is a motivational speaker, author, business coach and on-air commentator. She started her career as a criminal defense attorney before launching her own retail and Internet technology company. Robbins is the author of several best-selling books. She now leads coaching programs for various global companies, and hosts several award-winning shows. Robbins graduated from the Dartmouth College and Boston College Law School.

KEY QUOTES



THE GREATEST SALESMAN IN THE WORLD

OG MANDINO

The Big "So What"

Through a fable about a poor camel boy who rose to success, this book lays out timeless principles for salesmanship and personal success that can be learned and applied by anyone.

Introduction

The story in the book centers around Hafid, a poor camel boy who became the owner of the most powerful trade empire of his time and was known as the greatest salesman in the world. The first half of the book is about how Hafid learned the art of salesmanship from a set of ancient scrolls, while the second half of the book presents the text from each of the 10 scrolls.

The scrolls cover broad success principles that have withstood the test of time. In this summary, we'll outline the story in the book, followed by the key ideas from each of the 10 scrolls.

The Story

Hafid was a camel boy working for Pathros, a successful trader in Jerusalem. He had fallen for Calneh, the daughter of a rich merchant and wanted to rise above his low-born station to win her hand.

- Hafid often heard Pathros saying that the best way to move from poverty to wealth was to become a salesman. So, he asked for Pathros' for permission to sell his goods.

- Pathros agreed to assist Hafid, but advised him that material wealth should never be the end goal—real wealth lies in the heart, in happiness, love and peace. He also cautioned Hafid

KEY QUOTES

"No other trade or profession has more opportunity for one to rise from poverty to great wealth than that of a salesman."

"Do not aspire for wealth and labor not only to be rich. Strive instead for happiness, to be loved and to love, and most important, to acquire peace of mind and serenity."

that becoming a great salesman would not be easy. Hafid would have to endure countless setbacks and the loneliness of traveling far from his loved ones.

Hafid's first task was to find a way to sell a fine, red robe in the poor village of Bethlehem.

- Before he left, Pathros left him with a parting advice: *If your will to succeed is strong enough, you will never fail.*
- After 3 days, Hafid still hadn't sold the robe and was starting to feel discouraged. However, he recalled Pathros' advice and his love for Calneh, and renewed his resolve to keep trying.
- Hafid returned to his cave to find that a couple had sought refuge there with a new-born baby. Seeing how thinly-clothed they were in the cold weather, he gave them the robe to keep them warm.

After he returned to Pathros' caravan, Hafid shared what had happened. He was surprised when Pathros did not reproach him, but took out a cedar chest containing 10 numbered scrolls.

Pathros shared that he, too, started out as a poor boy. He was given the chest of scrolls by a man he saved, and became successful only after he memorized and practised each of the scrolls until the words became a part of him and his daily habits.

He passed the chest and its scrolls to Hafid, with 3 conditions:

- To always follow the instructions in Scroll I;
- To share 50% of all earnings with the less fortunate; and
- Never to share the scrolls or their contents with others unless he received a clear sign that the person was the right successor for the scrolls.

Pathros himself had decided to pass the scrolls to Hafid after he heard what he did with the robe, and when he saw a bright star following Hafid back to the caravan that night.

KEY QUOTES

"True wealth is of the heart, not of the purse."

"Failure will never overtake you if your determination to succeed is strong enough."

"To become a master in the art of sales one must learn and practice the secret of each scroll. When one masters these principles one has the power to accumulate all the wealth he desires."

- Realize that success is a state of mind rather than a fixed destination, and all of us have different goals and definitions of success.

Learn to be patient. Success cannot be rushed. An onion plant may grow quickly but also ages quickly within 9 weeks. On the other hand, the king of trees (the olive tree) grows to maturity only in 100 years. Be patient in your quest for success; be like the olive tree, not the onion plant.

Don't worry if you do not have prior sales experience before today. In fact, many supposedly-experienced people are burdened by the wrong ideas, or fail to realize that an action that worked yesterday may no longer work today. The key is to go for principles that will withstand the test of time.

To succeed, the first step is to form good habits. We are slaves to our habits because they control how we act, and thus determine whether we succeed or fail.

- To change your habits, you must replace bad habits with good ones. Each of these scrolls contains a good habit that you can use to drive out the bad ones.

- The first habit to cultivate is to read the scrolls daily:

  i. Read the words in silence twice daily: when you wake up in the morning and after lunch. Then, read the words again aloud just before you sleep.

  ii. Start with Scroll I, read it daily in accordance with step (i) for 30 days then do the same for the next scroll until you have completed all 10 scrolls. No matter how simple or familiar the words appear to be, don't gloss over them and never skip even 1 day of reading.

- As you repeat the words daily, they will become firmly imprinted in both your conscious and subconscious minds, and you find yourself feeling more confident, enthusiastic and energized. These positive outcomes will make it increasingly easy to continue your daily actions until a firm habit is formed.

KEY QUOTES

"Experience is comparable to fashion; an action that proved successful today will be unworkable and impractical tomorrow."

"When an act becomes easy through constant repetition it becomes a pleasure to perform and if it is a pleasure to perform it is man's nature to perform it often. When I perform it often it becomes a habit and I become its slave and since it is a good habit this is my will."

Scroll II: "I will greet this day with love in my heart."

Approach everything and everyone with love, as it can be a powerful weapon and shield.

Perspective. Look at everything around you with love. What seems to be "bad" is never truly so. For example, you can't see the stars without darkness and you can't grow without obstacles.

Interactions. When you interact with others, hold back your criticisms and gossips, and amplify your praises and encouragement.

- Love can bring down walls of distrust and hatred—when you extol your enemies, they can become your friends.

- Act as if everyone has great qualities, even if you can't see them. Whenever you meet someone, silently say "I Love You". This will change your mood, your expressions, and your demeanour, which will affect how others respond to you.

Most of all, love yourself. It can make you a greater person and protect you from negative events and feelings (e.g. anger and hate).

- Look after your physical body;

- Take care of your mental health by filling your mind with knowledge and wisdom rather than negative thoughts;

- Enrich your soul with meditation and prayer (not pride or complacency); and

- Let go of hatred; enlarge your heart with warmth and love.

KEY QUOTES

"My reasoning they may counter; my speech they may distrust; my apparel they may disapprove; my face they may reject; and even my bargains may cause them suspicion; yet my love will melt all hearts liken to the sun whose rays soften the coldest clay."

"Just as love is my weapon to open the hearts of men, love is also my shield to repulse the arrows of hate and the spears of anger."

Scroll III: "I will persist until I succeed."

No matter what life throws at you, if you keep pushing ahead, you will eventually succeed. If you persist long enough, you will always win. Be like the lion, not the sheep waiting for the slaughterhouse.

Small, repeated actions add up over time to deliver big results. Keep taking 1 additional step at a time until you succeed.

- Realize that the big rewards usually lie at the end of a journey, and you may be just 1 step away from success. Don't stop.
- Remind yourself that by the law of averages, each step that brings failure/rejection also increases the chances of the next step bringing success.

Tomorrow is a brand new day with a fresh start. No matter how bad a day you've had, always end it on a positive note by planting the seeds for success the next day. No matter how successful you've been in the past, never become proud or complacent.

Scroll IV: "I am nature's greatest miracle."

You are unique—there's no other being in this world that looks, thinks and acts exactly like you. Develop your distinct approach as a salesperson, to leverage fully on your unique characteristics, skills and assets.

Human beings only use a fraction of our brain and muscles, and there's always potential to improve. Don't be content with what you've accomplished so far, as you can achieve even more.

Specifically, to multiply your results in sales, you must increase your knowledge of people, yourself and your products/services, as well as refine your communication skills and mannerisms.

Learn to focus your energy fully on the present moment and the task at hand. When you're selling, don't be distracted by your personal problems. When you are at home, don't be distracted by work/sales.

KEY QUOTES

"If I persist, if I continue to try, if I continue to charge forward, I will succeed."

"When others cease their struggle, then mine will begin, and my harvest will be full."

"I am rare, and there is value in all rarity; therefore, I am valuable."

"There is no room in the market place for my family, nor is there room in my home for the market. Each I will divorce from the other and thus will I remain wedded to both."

Be like Nature: constantly rejuvenate yourself. Treat all failures, problems and pain as opportunities in disguise. With each challenge you overcome, the next one will become easier to handle.

Scroll V: "I will live this day as if it is my last."

The past is over and the future has not arrived. You only have the present moment to act—make the most of every day, as if it is your last.

Don't waste time or energy on regrets or dwell in past failures. You cannot turn back the clock nor return to the past to change things. At the same time, don't waste time or energy worrying about what could happen in the future as they may not come to pass. Your life is measured by your time on earth. When you waste time, you're essentially wasting your life.

Be grateful that you're alive today and can still use this time to fulfill your goals or purpose, be it to spend quality time with your loved ones or serve others. Treat each day as if it is your last, use it to the fullest and make each moment count.

Scroll VI: "Today I will be master of my emotions."

Nature moves in cycles, from the tides to the seasons. Likewise, our moods constantly shift between good and bad, high and low.

Don't let your moods and thoughts control you and your actions. Instead, learn to master your emotions.

- There's always something you can do to manage your feelings, e.g. listen to uplifting music when you're sad, recall past successes when you're discouraged, or remember your failures when you're overconfident.

- Ask yourself: how should you feel in order for your day to be happy and productive? Then, master your emotions accordingly. Your clients are more likely to respond positively to you when you bring enthusiasm and laughter, than when you bring lethargy and gloom.

KEY QUOTES

"This day is all I have and these hours are now my eternity."

"I will waste not a moment mourning yesterday's misfortunes, yesterday's defeats, yesterday's aches of the heart, for why should I throw good after bad?"

"I have but one life and life is naught but a measurement of time. When I waste one I destroy the other."

"Like the tides, my moods will rise; my moods will fall."

"Weak is he who permits his thoughts to control his actions; strong is he who forces his actions to control his thoughts."

"I will master my moods through positive action and when I master my moods I will control my destiny."

Learn to empathize with others, i.e. recognize and understand how other people are feeling, and avoid judging others based on first impressions. Realize that others have their mood shifts too. Someone who's angry or unpleasant today can be a friendly, approachable client tomorrow.

Scroll VII: "I will laugh at the world."

Laughter is truly the best medicine. Laugh often to release stress, improve your health, and feel happier.

Laughter helps to cut things down to size. It makes big problems look smaller, and reminds us that our successes are not as inflated or as important as we think.

Learn to laugh at yourself. Whenever you start to take things too seriously, step back and consider if that incident or concern will still seem as significant 10 years or 100 years later. This will help you to realize how trivial most of your worries are.

Our feelings (heartaches, exhilaration), financial wealth and successes, and even physical assets, are all impermanent. Constantly remind yourself that "This too shall pass". When you're suffering, remind yourself that the pain and heartache will pass. When you're happy, enjoy the moment as you can't store that moment and it too, shall pass.

Scroll VIII:"Today I will multiply my value a hundredfold."

Find creative ways to create immense value. Wheat can be fed to the pigs, made into flour and bread, or planted for future harvests. Each option takes different time and effort, but also produces different results. Low-value items like clay and wool can be used ingeniously to create castles and fine garments that are worth hundreds or thousands of times more.

Set high daily, weekly, monthly, yearly and life goals.

- Push yourself to improve by setting high goals that are 100x of your best performance in the past. Setting such high goals means that you'll face lots of failures, but you'll also end up achieving much more than if you set a lower goal.

KEY QUOTES

"To enjoy success I must have happiness, and laughter will be the maiden who serves me."

"So long as I can laugh never will I be poor."

"Is it not better to aim my spear at the moon and strike only an eagle than to aim my spear at the eagle and strike only a rock?"

- Don't seek to beat others; seek to beat yourself. Never be satisfied with your results; continuously push yourself to do even better tomorrow.

Scroll IX: "I will act now."

Big dreams and goals are useless if they're not backed by real action. Your actions may not bring instant results, but without action there'll definitely be no results.

Your actions will determine the value you create. To multiply your value, multiply your actions.

The best way to overcome your fear is to take action in spite of it. Remind yourself repeatedly "I will act now". When you face rejection, take action to knock on the next door immediately. When you feel like procrastinating, take action now instead. When you face a distraction, take action to move away from it right away.

Scroll X: "Pray to God for Guidance"

Regardless of our religious beliefs, all of us instinctively pray for help when we're desperate.

Don't pray for material things or rewards. Instead, pray for guidance on how to achieve your goals.

Scroll X ends with a salesman's prayer. Use it to seek guidance to develop your abilities and tap on opportunities, to stay courageous in face of challenges and your weaknesses, to stay humble despite success, to have the discipline and persistence to keep trying, to develop good habits, be grateful and fulfill your true potential.

Other Details in the Book to Look out For

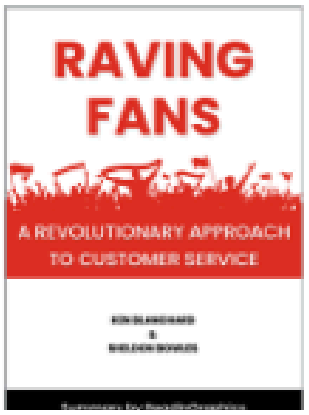
Mandino has carefully worded the original text in each of the 10 scrolls to help readers to grasp the meaning behind the principles. According to Mandino, the key to success is to read each of the 10 scrolls in sequence, 3 times a day for 30 days each. To download the scrolls and get more details and resources, please visit www.ogmandino.com.

KEY QUOTES

"To surpass the deeds of others is unimportant; to surpass my own deeds is all."

"Only action determines my value in the market place."

"Action is the food and drink which will nourish my success."



RAVING FANS

A Revolutionary Approach
to Customer Service

KEN BLANCHARD & SHELDON BOWLES

The Big "So What"

Customer service is important to any business. Yet, it's not enough to merely satisfy your customers. To have a massively successful business, you need Raving Fans. This book presents a simple but powerful 3-part framework to help you to deliver amazing customer service and achieve outstanding bottom-line results.

Introduction

In America, service standards have become so low that customers *expect* poor service. They're satisfied so long as your service is no worse than your competitors'.

You *can* acquire and retain customers by delivering customer satisfaction, i.e. by being just better than your competitors. However, to have a booming business, you need to create Raving Fans, i.e. to make your customers so wildly happy that they can't help talking about you and recommending you to others.

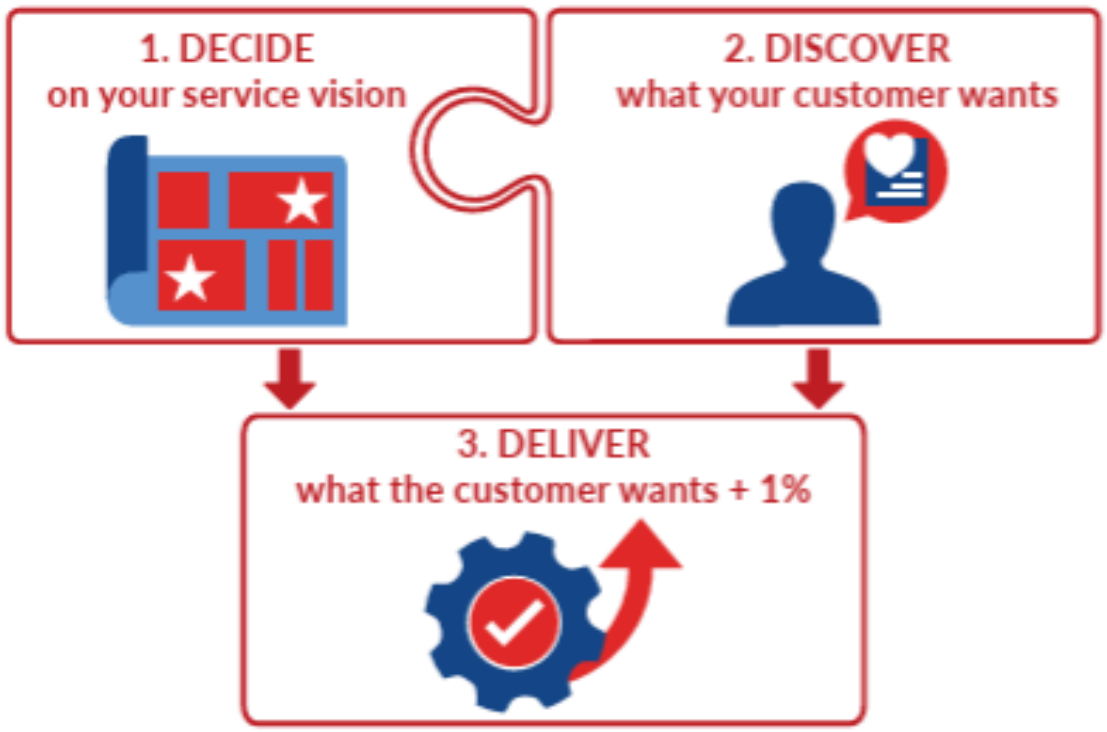
Through a fable, this book presents a simple framework on how to build a raving fan base. The story is about an Area Manager who has been tasked to go beyond product quality to create Raving Fans for his company. With the help of a mysterious fairy godmother, he meets with several successful business leaders and learns the 3 secrets to:

- Define your service vision;
- Learn what your customer truly wants; and
- Deliver outstanding customer service consistently as a competitive advantage.

KEY QUOTES

"Quality is how well our product works in relation to the customer's That's just one aspect of customer service. Customer service covers all the customer's needs and expectations."

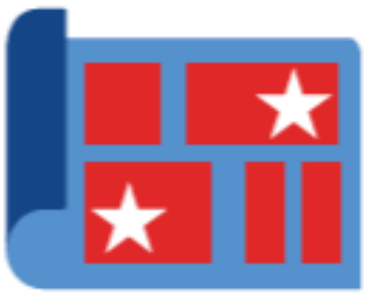
"Your customers are...only satisfied because their expectations are so low and because no one else is doing better."



The 3 Secrets of Creating Raving Fans

Secret #1: Decide on your Service Vision

Define your service vision in detail, with the customer as the focal point.



To create Raving Fans, the first step is to define your vision of perfect service, or the ideal way you'd want to serve your customers. You must see each service detail in your mind before you can create it in reality. These details jointly form the perfect customer experience.

In many companies, service levels are defined by what's possible, practical or affordable. They allow their existing constraints to limit their service potential.

To deliver outstanding customer service, you must start by deciding what you want, i.e. to define your service vision. In the story, the Area Manager sees this secret in action at Varley's Department Store, which is thriving despite being located right next to a mega mall.

- The moment the Area manager enters the store, he's greeted by a well-dressed staff, who pins a flower on him, and offers

KEY QUOTES

- Consider all *direct and indirect customers* who're touched by your product/service. For example, if you manufacture metal cases for computer companies, you may sell directly to a purchasing agent, but actually serve everyone from the computer companies' engineering/production departments to the transport companies' receivers and the end-users of the computers.

- Your service vision provides a window to filter out your *ideal customer niche*, i.e. customers whose vision matches yours. These are the customers whom you can serve exceedingly well to become your Raving Fans.

Learn to listen deeply to distill what customers truly want.

- People often say one thing but mean another, e.g. they may claim that price is the deciding factor, when they're actually influenced by on-time delivery and quality. Listen out for *what's being said as well as what's left unsaid*.

- Don't assume that customers are happy *if they don't complain or if they say that they're "fine"*. These could actually be a sign that they're so dissatisfied/ disillusioned that they don't even wish to share their feedback. Customers will only take the effort to communicate if they're very happy or very unhappy, so take every compliment and complaint seriously. Pay attention to customers who're silent or simply say that things are "ok" or "fine".

Next, integrate the 2 service visions: Using your service vision as a foundation, incorporate specific aspects of your customers' vision. You'll always have to develop your own vision first because:

- Your vision forms a basis or *foundation for meaningful discussions*. For example, if you can't describe or show what a perfect book summary is like, customers won't be able to give specific inputs on what they want or don't want.

- Your service vision will always be more comprehensive than your customers' vision. Most customers will only zoom in on 1-2 key areas that are disproportionately important to them. It's your role to see the big picture and *fill in the gaps* that aren't addressed in the customers' vision.

KEY QUOTES

"You have to listen to the music as well as the lyrics."

"'Fine' or silence is a message in itself."

"A customer's vision has meaning only in the context of your vision."

"Often, the narrower the focus, the more important that vision is to the customer."

- It's impossible to offer outstanding service to *everyone*. Customers whose service vision is totally different from yours won't fit into your business model. Your goal is to offer stunning service to customers *within* your target segment (i.e. they share a similar service vision), and leave others to be served elsewhere. Use your service vision to *filter out* which customer inputs to adopt and which ones to ignore.

Secret #3: Deliver What the Customer Wants ...Plus 1%

Deliver what the customer wants consistently and go beyond that, 1% at a time.

Once you know what the customer wants, you must (i) deliver that all the time (without exception) and (ii) seek to over-deliver and continually improve by 1%.

To create satisfied customers, you should under-promise and overdeliver. To create Raving Fans, you must promise more *and* deliver more. The key is to do get there one step at a time, instead of trying to bite off more than you can chew.

Aim for consistency first, since it's essential for building trust and credibility. It's better to start with a few key areas and deliver them consistently well, than to promise something you can't fully deliver. If you can't accomplish something consistently yet, then don't highlight or market it. Once you raise customers' expectations, they'll hold you to your promise, and leave if you fail to deliver.

- You can *create systems* for any service element or goal. For instance, if you want your employees to be warm and friendly, you must equip them with the right skills and processes, e.g. teach them to smile and greet customers by their names, talk about topics outside the existing business transaction etc.

- Start small, then *progressively expand* your service as you introduce new systems to ensure consistency.

- Systems ≠ rules. Use systems to help your team achieve minimum standards consistently, but give people the

KEY QUOTES

"What you have to do is promise more and deliver more. Just don't promise too much at once."

"Consistency creates credibility."

"All good customer service is a result of nifty systems."

"The purpose of systems is to ensure consistency, not create robots...Systems give you a floor, not a ceiling."

flexibility and discretion to make adjustments and *exceed* those standards. In short, set the baseline but allow people to reach for the skies.

This is why the 1% continual improvement is so crucial:

- If everyone on your team seeks to exceed customer expectations and improve by 1% continually, it (i) creates a *huge cumulative impact* and (ii) *keeps the business moving forward*. Small improvements can be implemented immediately and you can quickly evaluate what works or doesn't work. This can be more effective than major changes which take a long time to plan and execute, yet may not even be effective.

- It also injects flexibility to *ensure your vision is constantly growing and evolving*. No matter how good your service vision is, you'll need to refine it to meet customers' changing needs, and to incorporate their feedback. You win customers' loyalty when they know that their needs and inputs are taken seriously.

Track your service standards by creating a Raving Fan Index that combines key internal benchmarks (e.g. on-time delivery, reworks) for every person and department.

- Talk to customers regularly to establish how you are doing.

- Don't just criticize people when they fall short of expectations. Make sure you recognize and reward people who offer great service, so they're motivated to repeat it. Align your performance evaluation, staff compensation and promotions with your Raving Fan index.

Putting it Together

In the story, the Area Manager sees how the 3 secrets of creating Raving Fans are applied in various businesses, including a departmental store, a grocery store, a manufacturing plant, a gas station and even by a cab driver. In particular, he learns how the owner of Sally's grocery store used the 3 secrets to transform her business.

KEY QUOTES

"Listening to customers is powerful…Responding to what customers say is dynamite."

"Visions do only two things. They grow or they die."

- When Sally first bought the grocery store, it was losing money. She took some time and effort to crystallize her service vision, focusing on her passion to help customers to save money and eat healthily.

- She visualized how customers would be greeted by a friendly valet who'd also recommend the freshest daily produce. Customers would receive a red carpet welcome, with store advisers and a computerized system to map out recommended shopping routes, deals and healthy food alternatives according to their shopping lists. The checkout process would be fast and smooth, using special product tags for automated billing. Customers' purchases would also be stored in their personal accounts so they can receive customized deal-notifications and recommendations in future. By comparing that vision with the existing reality, Sally was able to progressively address the gaps and implement her vision.

- Since Sally's goal is to provide outstanding service for customers who wish to save on groceries and eat healthily, she can deliberately *omit* services that do not match the vision, e.g. offering fresh fish or helping customers to load the groceries into their cars.

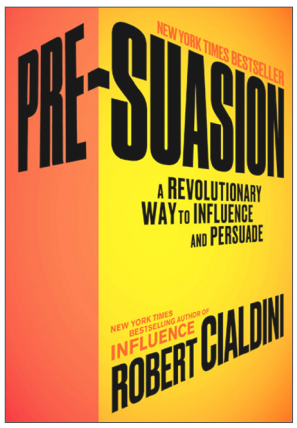
- Similar to Varley's, service quality is a key performance evaluation criterion at Sally's. Employees are recognized for offering excellent service, and can only be promoted if they have delivered a Raving Fan service. For instance, one of the staff suggested the idea of free shoe-cleaning services for husbands who accompany their wives for grocery shopping—the idea was such a hit that the staff was promoted.

Fundamentally, the 3 secrets are really about building a relationship between people, instead of a transactional relationship between companies and customers. Your end goal is to help your employees to serve your customers in a way that's fulfilling for both sides.

KEY QUOTES

"It's nice to do a good job and be recognized for it."

"It's really a human relationship…People arrive with needs and people go out and serve them to fulfil those needs."



PRE-SUASION

A Revolutionary Way to Influence and Persuade

ROBERT CIALDINI

The Big "So What"

Pre-suasion is about laying the groundwork so your recipients are already receptive to your message by the time you present it. Such tactics are based on scientific principles that *can* be learned and systematically applied. By mastering pre-suasion techniques, you can influence and persuade others more effectively, be it to get your kids' cooperation at home or to win over clients in business.

Introduction

After studying professionals in various industries, Cialdini found that the best persuaders spend more time crafting what to say/do *before* making a request. They influence behaviors not by improving the product features or offer, but by presenting them in a way that's the most psychologically appealing. In short, to persuade effectively, you must first learn to pre-suade effectively.

- Pre-suasion is achieved through specific actions, framing and conscious/subconscious cues, strategically placed at the right time.
- This summary is organized into 2 parts:

  (i) Sources of pre-suasion (and why they work); and

  (ii) Putting pre-suasion to work

KEY QUOTES

"To persuade optimally…it's necessary to pre-suade optimally."

"The highest achievers spent more time crafting what they did and said before making a request."

"The basic idea of pre-suasion is that by guiding preliminary attention strategically, it's possible for a communicator to move recipients into agreement with a message before they experience it."

Sources of Pre-Suasion (and Why they Work)

The Importance of Attention

Human beings can only focus on 1 thing at a time—once something grabs our attention, we ignore everything else. In addition, we don't make decisions based on the most helpful or correct inputs. We make decisions based on the inputs we happen to be focusing on *at that moment*.

Privileged Moments are observable points in time when someone becomes especially receptive to a message being communicated.

- It's easier to *confirm or look for something that's present*, than to disconfirm or notice something that's missing. When searching our memory, we naturally look for hits rather than misses. So, you can tell someone on 1 day that he's hard-headed and on another day that he's flexible. Both times, he'll agree because he'll recall different events to confirm the trait being brought to focus.

- *Single-chute questions* are biased, one-sided questions that lead people to confirm a viewpoint. You can use them to create privileged moments where people become vulnerable to related suggestions. In a study, only 33% of people agreed to leave their contact details so they could be sent a new soft drink sample. However, when they were first asked if they were adventurous and liked to try new things (to which 97% said yes), 75.7% later agreed to leave their contacts. By getting people to focus on a belief or perception, you can get them to say "yes" to a related suggestion.

Focusing illusion: Because of our limited attention, we assume that whatever we're focusing on is more important. This means that a communicator can get us to place undue importance on something (e.g. a feature or message) just by drawing our attention narrowly to it. This is commonly done in 3 ways:

KEY QUOTES

"The guiding factor in a decision is often not the one that counsels most wisely; it's one that has recently been brought to mind."

"It is easier to register the presence of something than its absence."

"Nothing in life is as important as you think it is while you are thinking about it."
—Daniel Kahneman

- Subtle *cues in the background* (e.g. noise, images or music) can subconsciously influence our decisions. For example, different backgrounds were tested on the landing page of an online furniture store. Visitors who landed on a page with clouds focused more on comfort in their search for sofas; those who landed on a page with pennies focused more on price.

- Innocent *questions or surveys* can direct us to focus on a specific option or trait to sway our preferences. Leaders in an organization were each asked to do a survey about a different solution—invariably, they ended up recommending the solution that they were surveyed on. Likewise, by getting customers to complete a survey about your product, you can draw their attention to your strong qualities so they'll favorably consider your brand. The key is to focus on just *1 benefit* without drawing attention to other alternatives.

- Our opinion can be shaped by the *issues or facts* we're most exposed to. For example, something that's covered extensively in the news will seem more significant. During the US' military campaign Iraq in 2003, the Bush administration cleverly embedded reporters in the combat units. This skewed the news coverage (and public attention) to the everyday life of the soldiers instead of why the war was happening in the first place.

Assumed causality. The more we focus on something, the more we're likely to believe that it's the cause of a problem or behavior.

- Such causal links can be *totally illogical*. In 1982, Johnson & Johnson recalled all Tylenol pills from the shelves due to drug tampering, and issued numbers to help consumers identify the different Tylenol batches. U.S. residents actually started to run lotteries using those numbers—just because the numbers were highly visible from media publicity, people believed they had a better chance of winning lottery with them.

- *People with greater visibility* are also assumed to be more responsible for both good and bad outcomes.

KEY QUOTES

"A communicator who gets an audience to focus on a key element of a message pre-loads it with importance."

"Anything that draws focused attention to itself can lead observers to overestimate its importance."

"The press may not be successful most of the time in telling people what to think, but it is stunningly successful in telling them what to think about."
—Bernard Cohen

"The brain's operations arise fundamentally and inescapably from raw associations."

(i) The more visible someone is, the more influential they seem. This explains why leaders are often assumed to be responsible for the success or failure of their team, even though there're other factors involved, e.g. staff quality, business systems or market conditions.

(ii) When police interrogations are recorded as evidence for trials, the camera angle makes a huge difference. If the camera is aimed directly at the suspect, he's more likely to be seen as guilty. If the camera is angled sideways (with equal focus on the suspect and questioner), that bias disappears. If the camera is focused on the interrogator, observers tend to believe the suspect is being coerced.

Attracting and Holding Attention

We're attracted to stimuli that are relevant to our survival or goals, and tend to pay more attention to unfinished tasks.

We are drawn to things that're relevant to our survival:

- We involuntarily pay attention to *changes in our environment*. Advertisers target this primal instinct by cutting to specific parts of a message they want the audience to focus on. They also use contrast or novelty to pre-suade people. When presented with 2 brands of sofas, 58% of research participants chose durability over comfort. But when they were presented with 4 sofas—3 that were more durable and 1 that was more comfortable —77% chose comfort because of the contrast.

- *Sex appeal* is a proven stimulus that's widely used in advertising. However, it only works if you're selling a related product e.g. cosmetics or tight-fitting clothes. It does *not* work for unrelated items, e.g. detergents or kitchen appliances.

- *Violence and fear* are also powerful attention-grabbers.

  (i) In fact, people may end up putting themselves at greater risks just to avoid a perceived threat. After the 9/11 terrorist attacks, many Americans chose road travel

KEY QUOTES

"Whenever we first register a change around us, our attention flies to it."

instead of air travel, not realizing that the casualty rate from car accidents was actually much higher.

(ii) To change bad habits, it's more effective to show the negative effects of bad habits than the positive effects of good ones, provided you also include actionable steps to overcome the problem. Anti-smoking messages on cigarette packages are more effective if they display both the harmful effects of smoking and advice on how to stop smoking.

- The stimuli you're exposed to can influence *how you react to subsequent messages*. People who've just been exposed to sexual stimuli will respond positively to an ad to "stand out from the crowd". People who've just been exposed to violence or threats will respond better to an ad with the message: "Everyone else is doing this, don't miss out".

We also focus on **self-relevant topics** (i.e. info about ourselves) or information that match our goals. Marketing messages are more effective when they use "you" instead of "people" or "they". People pay more attention to (and remember) health information that includes relevant data about their age, gender or health history.

The Zeigarnik effect says that we pay much more attention to **unfinished tasks** than completed ones. When a task is incomplete, we remember the details and feel a nagging sense of incompletion if we're pulled away from the task. However, once a task is finished, our cognitive attention is directed elsewhere.

- Use incomplete tasks to *counter procrastination*. If you're a writer, don't end a writing session with a complete paragraph or thought, even if you know exactly what to say. Keep it for the next session so you'll itch to get back to work.

- Use *mysteries* to capture and hold people's attention. If you're a teacher, begin/end each class with an unfinished mystery, so your students will remember the details needed to solve the puzzle.

KEY QUOTES

"When recipients get a message that is self relevant… they are more likely to lend it attention, find it interesting, take it seriously, remember it and save it for future reference."

"Not completing an activity can make everything about it more memorable."

"One's attention is magnetized to the mystery story because of its inherent, unresolved nature."

Counter-arguments can be more effective than direct arguments, especially if they present rivals in bad light. Combine mystery with counter-arguments using these steps: Present the mystery → Deepen it with data/ questions → Present alternative answers then refute them to lead in to your answer → Give a clue on the right answer → Solve the mystery → Explain the implications.

The Power of Association

Every idea in our mind is linked to network of concepts, images and feelings. By using certain words, metaphors, or external/ internal cues, we can get people to unconsciously focus on associated thoughts and feelings, and hence shape their choices and behaviors.

Language & visual associations. Strong communicators use language to conjure mental associations that are favorable to their messages. In a study, fund-raisers at a call-center were given information about how their work impacts the community. One group received printed text while the other had an additional picture of a runner winning a race. The second group raised 60% more money, illustrating the power of visual associations.

Metaphors help listeners to understand something by associating it with another image. They frame how people think, thus influencing their subsequent choices.

- Simply by changing the *metaphor*, politicians can influence people to support different approaches to the same problem. When crime rates were likened to a ravaging beast, people opted for a solution to catch and imprison criminals. When crime rates were depicted as a virus, people preferred a solution to tackle the underlying conditions that led to its spread.

- We're also influenced by *non-verbal metaphors*. A warm cup of tea can make us feel warmer toward the people around us. Reading a resume without a clipboard (or reading a book on lightweight kindle) can also make the content seem lighter or more trivial.

KEY QUOTES

In contests of persuasion, counter arguments are typically more powerful than arguments".

"We should think of language as primarily a mechanism of influence."

"He who wants to persuade should put his trust not in the right argument but in the right word."
—Joseph Conrad

"If you want to change the world, change the metaphor."
—Joseph Campbell

We can also shape behavior by changing people's **external and internal environments**.

- *External cues* from our physical surroundings can prompt us to focus on certain memories, traits or feelings. Audience in a dermatology lecture often start to scratch themselves after hearing about skin irritations. A team of consultants found that pinning up clients' pictures in the meeting rooms helped them to keep their discussions focused on the clients' needs. A writer will unconsciously adopt a more academic writing style if he's in a university, and a more casual writing style if he's in a laid-back neighborhood café.

- We can create positive self-influence by shifting our *internal focus* away from dis-empowering thoughts (e.g. anxiety, inadequacy) to empowering ones (e.g. strengths, past successes).

  (i) Studies found that people felt happier just by adopting 3 practices to shift their focus: (a) list down what they're grateful for at the start of the day, (b) choose to look at possibilities and positives, and (c) limit the time spent dwelling on unhappy events.

  (ii) Just before you start an exam, don't do last-minute cramming or worry about what you don't know. Use that time to recap your strengths and past academic successes.

- You can use pre-suasive cues to achieve your goals. Develop "*if/when-then plans*" by (i) defining situation-specific cues where you can advance your goals and (ii) linking them to the desired actions. For example, to lose weight, you can develop a plan like this: "If/when I'm offered a soft drink during a meal, I'll ask for green tea instead."

We also tend to over-value **things that're connected to or similar to us**. We feel an affinity with people who share our birthday, name, language etc. Even organizations tend to overvalue things that include elements of their name or identity. In 2004, the Rolling Stones Magazine selected top 500 songs of the rock era, of which the top 2 were "Like a Rolling Stone" by Bob Dylan and "Satisfaction" by the Rolling Stones.

KEY QUOTES

"Steering attention from one feature of a person's inner geography to another can affect performance."

"When we grasp something fluently—that is, we can picture or process it quickly and effortlessly—we not only like that thing more but also think it is more valid and worthwhile."

We're also biased toward things that are **easy to grasp, visualize or do**. We prefer rhymes, names that're easy to pronounce, and tasks that're easy to finish. All things being equal, companies on the US stock exchange with pronounceable names or stock ticker codes tend to perform better initially than companies with foreign-sounding or unpronounceable names.

Managing Pre-suasion and its Biases/Influences

When our brain is exposed to an "**opener concept**", it quickly links to other related concepts. It's like opening the doors to related ideas, while *concurrently* closing the doors to irrelevant ideas.

- *Video game players* tend to become more antisocial after playing aggressive games, but more helpful after playing prosocial games. Interestingly, violent video games that require cooperation with others lead to *less* aggressive post-game behaviors, because the very act of cooperation suppresses aggressive associations.

- *The stronger the link* between the opener concept and related concept, the stronger the pre-suasive effects. Subjects who see photos of people standing close together are 3x more likely to demonstrate helpful behaviors than those exposed to pictures of people standing alone. That's because togetherness and helping others are closely-related. You won't get the same effect if you try to link unrelated concepts like togetherness and cleanliness.

- However, you can *construct a link* that previously didn't exist just by repeatedly putting 2 objects together. That's why advertisers often use celebrities to promote their products. A Belgian beer increased viewers' positive feelings toward their brand after superimposing their beer 5x on enjoyable activities like cuddling, sailing and waterskiing.

Pre-suasive influences work best when they're subtle or unconscious. We're more susceptible to persuasive cues

KEY QUOTES

"Successful openers operate for a communicator. They presuasively channel recipients' attention only to those concepts that are associated favorably with the communicator's particular goal."

"An effective linkage between concepts doesn't have to be located in prevailing reality. It can be constructed."

when we lack the time, energy or focus to analyze something in detail. Once we're aware of pre-suasive influences, we respond differently:

- Respondents of a phone survey typically report 20% higher life satisfaction on a sunny day because they're in a better mood. But if the interviewer asks them about the weather before starting the survey, the positive bias disappears. A *simple reminder* of the pre-suasive cue (weather) can negate its effects.

- When viewers notice *obvious product placements* in media programs, they recognize the attempt to sway their choices and become less likely to purchase the products.

Putting Pre-suasion into Action

The 6 Universal Influence Principles

Pre-suasive methods only work if they're aligned with people's unique goals and circumstances. However, in Cialdini's previous book "Influence", he presented 6 influence principles that're built on the universal human need for social acceptance. You can use these 6 principles in your messages and to pre-suade people *before* you even start communicating.

Reciprocation. People tend to say "yes" to those they feel indebted to, e.g. shoppers at a candy store were 42% more likely to buy something if they got a free chocolate at the entrance. To optimize returns:

- Offer the gift/benefit *before* a request is made (pre-suasion); and

- Ensure it is *meaningful, unexpected and customized*.

When diners were offered a chocolate (a meaningful gift) at the end of their meals, tips increased 3.3%. When diners were offered a 2nd chocolate (meaningful + unexpected), tips increased 14.1%. When the waitress started to walk away, then returned to offer the 2nd chocolate (meaningful + unexpected + personalized), tips improved 21.3%.

KEY QUOTES

"If a gift, favor, or service incorporates all three features of meaningfulness, unexpectedness, and customization, it can become a formidable source of change."

Liking. We prefer to do business with people we like. You can be likeable by being friendly, humorous or attractive. However, Cialdini recommends using 2 practices to show people that you sincerely like *them*, which will naturally lead them like/trust *you* in return:

- *Highlight similarities*. We like people who're like us (e.g. similar language styles or interests). Waitresses and salespeople who mimic their clients' verbal styles get more tips or sales. Youth mentoring programs are more successful when there're similarities between the mentors and students.

- *Give compliments*. Everyone likes to be praised, be it for our looks, abilities or personality. Clients who received a compliment from their hairstylist ("You'd look good in any hairstyle") gave 37% more tips.

Social proof. When we see others like us responding in a certain way, we'll think that's the right response—morally and practically:

- *Validity (it's ok to do it)*. Research participants expressed support for the military's use of torture after they learned that the majority of their peers also did so. In F&B, a dish can get sold 13-20% more if you add a "most popular" label.

- *Feasibility (it's realistic to do it)*. When residents received a message about how their fellow residents were conserving energy, they saved 3.5x more energy than those who received other energy-conservation messages. Simply hearing about others' energy conservation efforts made it appear feasible and implementable.

Authority. The persuasiveness of a message depends more on the perceived authority of the messenger than the content of the message. Authority is about expertise and trustworthiness, not hierarchical status:

- *Expertise*. When the communicator is perceived to be a subject expert, we tend to follow the advice without much thought.

KEY QUOTES

"We like those who are like us."

"When a legitimate expert on a topic speaks, people are usually persuaded."

- *Trustworthiness*: We're more likely to trust someone who seems honest and unbiased. You can pre-suasively establish your honesty by referring to a weakness early in the communication. This is especially effective when:

  (i) The audience already knows of the weakness; and

  (ii) You use a transitional word (e.g. "but" or "yet") to counteract the weakness with a strength, e.g. "We are new to this market, but we already have a strong presence in 13 other countries."

Scarcity. When something is scarce, we perceive it to be more valuable, and are more averse to losing the chance to acquire it. During a sale, if you add a purchase limit of "X items per customer", you'll probably sell more, not less!

Consistency. We try to act consistently with our past actions and commitments. Once you get people to explicitly agree to something, they're more likely to follow through, even if it takes more time and effort. An organization increased blood donor participation by 12.4% just by asking donors to verbally confirm their attendance: "We'll mark you on the list as coming then, okay? [Pause for confirmation.] Thank you."

Apply these 6 principles in **3 stages** in any commercial relationship:

- *Stage 1*: Build a positive association using reciprocity and liking;
- *Stage 2*: Reduce uncertainty for decision-making using social proof and authority; and
- *Stage 3*: Motivate action using consistency and scarcity.

The 7th Principle: Unity & Shared Identity

Besides the 6 principles above, Cialdini discovered a 7th principle that strongly affects people's willingness to help one another: the sense of unity and shared identity from human relationships.

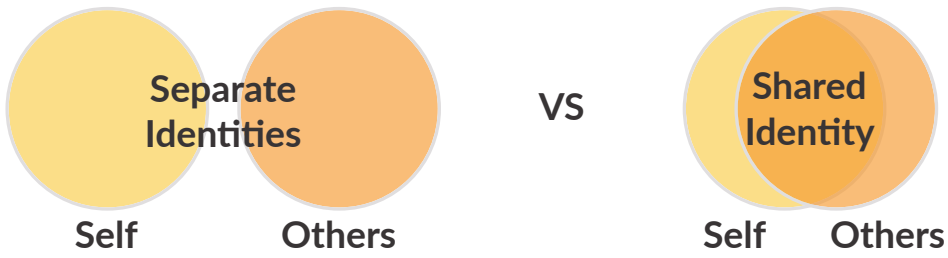
KEY QUOTES

"We want more of what we can have less of."

"Sometimes all that's necessary is to remind others of a commitment they've made that fits with the practitioners' goals."

"Our ability to create change in others is often and importantly grounded in shared personal relationships"

When we share an identity with others, it goes beyond mere liking or reciprocity—they become one of "us". For example, we may feel "as one" with people of the same nationality, family or religious affiliation. This sense of "we-ness" is forged by (i) being together and (ii) acting together.



Being together. We build bonds via kinship and physical proximity.

- *Kinship*. We're biologically programmed to pass on our genes. We're thus inclined to help people in our family who share our bloodline. The use of familial terms (e.g. "brotherhood", "motherland" or "forefathers") can trigger feelings of kinship to make us more willing to sacrifice for the group. Or, we may feel greater trust or loyalty for people who treat us "like family".

- *Physical proximity*. We also develop unity and shared identity with others living in the same place, even if they're not our blood kin. This includes people living in the same house, neighborhood, country or even region (e.g. Asia, Europe). During WWII, Chiune Sugihara sacrificed his career trying to help thousands of Jews escape the Holocaust. This was because as a child, he had watched his parents house and care for people of various nationalities, and had thus developed an expanded definition of "family".

For thousands of years, humans have been unified by synchronized activities such as marches, rituals, prayers, dances, and songs. **Acting together** (doing something in sync, collaborating or co-creating) can develop a sense of unity or oneness among people.

- *Liking*. When we act in unison with someone, we start to think we're *alike*, and hence develop a *liking* for the person. Participants in a study felt physically connected with strangers on a screen who were also getting their

KEY QUOTES

"Relationships not only intensify willingness to help but also cause it."

"From a genetic point of view, being in the same family—the same bloodline—is the ultimate form of self-other unity."

"When people act in unitary ways, they become unitized."

"[The] elevated likeness turns into elevated liking."

face brushed in the same way. They even believed that their movements affected the person on the screen and vice versa.

- Synchronized actions can pre-suade people to collaborate and *support* each other. In a study, participants were split into 2 groups—one group walked together in sync while the other walked normally. Later, both groups played an economic game. Those who walked in step were 50% more cooperative and willing to sacrifice personal gains for their group's success.

- According to Daniel Kahneman, we have 2 *cognitive systems*: "System 1" is for fast, intuitive and emotional decisions, while "System 2" is for slower, reasoned and logical decisions. When we activate one system, the other is suppressed. Effective persuaders match their approach to the recipients' mindset, e.g. using facts/evidence to appeal to a rational decision-maker, and using feelings to appeal to an intuitive decision-maker.

- *Music* has the power to unite people, since everyone can simultaneously experience the same beat, rhythm and musical patterns. It also appeals naturally to System 1 thinking to evoke feelings of unity and harmony. Kids who sang and walked together to music were 3x more helpful and selfless to their partners, than those who sang and moved without music.

- When 2 parties *repeatedly exchange favors* over a period of time, a relationship is formed and it no longer matters who gave the last favor. Pairs of research participants took turns to ask and answer 36 personal questions about each other. By the end of 45 minutes, the participants (who started out as complete strangers) had developed a strong emotional connection.

- *Co-creation*: People tend to value their own creations more. When we jointly create things, we feel an affinity both for our creation *and* our co-creator.

  (i) A manager's level of involvement in a project determines how much he likes the outcome. Paradoxically, managers who feel *more* responsible

KEY QUOTES

"A history of reciprocally exchanged favors leads individuals to give additional favors to their exchange partner, no matter who provided the last one."

for the project's success also attribute *more* success to their co-creators, due to the temporary sense of shared identity from co-creation.

(ii) When you ask someone for advice, they'll feel as if they've co-created the solution with you. So, instead of merely asking for customers' opinions or feedbacks, companies should explicitly ask customers for their *advice*.

Pre-suading Ethically

Pre-suasion can be an extremely powerful source of influence. However, this also raises ethical concerns since they can be used to **trick or mislead consumers**. Most CEOs know that unethical practices can bring irreparable financial and reputational damage to their companies. Yet, 50% would still engage in malpractice just to reap short-term gains, thinking they won't get caught.

Cialdini urges readers to **act responsibly**, as the long-term costs are simply not worth the short-term gains. Unethical actions *will* eventually catch up with you in at least 3 ways:

- *Employee performance*: When employees act against their ethical values, it creates moral stress that causes fatigue, lower morale and a loss of enthusiasm, all of which reduce work performance and profitability.

- *Staff turnover*: Stress and unhappiness at work can lead to 30% higher turnover. On average, each staff turnover can cost the equivalent of 1-year's remuneration for that employee.

- *Employee fraud and misconduct*: The type of employees who'll stay are also those who're likely to cheat and take advantage of the company.

KEY QUOTES

"Just because we can use psychological tactics to gain consent doesn't mean we are entitled to them."

"Those who cheat for you will cheat against you."

Post-Suasion: Ensuring Continuity

How can you ensure that your pre-suasive efforts will continue to deliver results, especially when others also start to use pre-suasive techniques? There are 2 additional strategies to create lasting change:

- Create strong commitments. Pre-suasive openers can trigger immediate behavioral shifts. However, to lock in lasting change, you must secure commitments for future action, and ideally incorporate the behaviors into people's sense of identity. For instance, you can increase the chances of someone showing up for a group coaching session by getting them to fill up the appointment card (instead of you doing it for them). Other related actions (e.g. making a deposit, doing pre-coaching activities or plugging in to a coaching community) can all reinforce their commitment to repeatedly attend the sessions until it's a part of who they are.

- Design your cues and environments. In our fast-paced modern societies, we're constantly bombarded by distractions and stimuli. Use the ideas in this book to design your external living/work spaces so you're constantly surrounded by, and focusing on, cues and stimuli that support your goals. Take systematic control of your surroundings instead of allowing others to influence you with *their* cues.

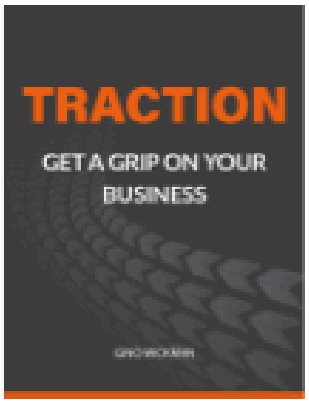
Other Details in the Book to Look out For

This book includes many other detailed research studies and examples to show how pre-suasive techniques can be used to influence decisions and behaviors, and how you can harness pre-suasion to achieve your goals. For more details, please visit www.influenceatwork.com.

KEY QUOTES

"Pre-suasive openers can produce dramatic, immediate shifts in people, but to turn those shifts into durable changes, it's necessary to get commitments to them, usually in the form of related behavior."

"In large measure, who we are with respect to any choice is where we are, attentionally, in the moment before the choice."



TRACTION®

Get a Grip on Your Business

GINO WICKMAN

The Big "So What"

Most entrepreneurs face 5 key challenges in growing their businesses. Entrepreneurial Operating System® (EOS®) is a set of comprehensive processes and tools to help leadership teams overcome these challenges, gain control of the business, operate efficiently, gain traction and move ahead as a healthy, effective and cohesive team.

Overview of the EOS®

The EOS® is ideal for small- to mid-sized companies with $2-$50 million revenues and 10-250 employees. It addresses 5 biggest frustrations that any entrepreneurial leadership team will face:

- *Lack of control*: Your business is running your life rather than the other way round.
- Your *people*—be it customers, vendors, partners, or employees—aren't aligned with your vision and goals.
- You're not making enough *profits*.
- You've hit a *growth ceiling* and don't know how to move forward.
- You lack *sound strategies/tactics*—nothing seems to work.

The EOS® integrates proven principles, frameworks and ideas from various sources into a complete system. It addresses 6 fundamentals that are core to any business: vision, people, data, issues, process and traction.

KEY QUOTES

"You are not your business. Your business is an entity in and of itself...to find success, you have to turn it into a self-sustaining organism."

"The EOS consists of timeless, practical, universal principles that have been tested in almost every kind of organization."

"If you are not happy with the current state of your company, you have three choices. You can live with it, leave it, or change it."

Implementing the EOS® involves change, which can be uncomfortable. To build a scalable, successful business, you (the founder/owner) must be willing to embrace 4 beliefs:

- You can't be the one deciding and doing everything. *Build a real leadership team*—hire people who're better than you, give them control and responsibility of specific areas, and present a united front to the rest of the organization.

- Organizations grow in spurts—*you'll inevitably hit ceilings* at individual, departmental and organizational levels. To punch through and surge ahead, your team must be able to do 5 things:

(i) *Simplify*. Your organization will get more complex as it grows; rules and processes must be constantly streamlined.

(ii) *Delegate*. You and your leaders must continually delegate tasks you've outgrown and elevate yourself to the next level, so both you and your business can grow.

(iii) *Predict*. You must work on your business, not get lost in it. This means concurrently forecasting long-term business needs beyond 90 days as well as immediate issues to be tackled on a daily/weekly basis.

(iv) *Systemize*. Initially, you're likely to deal with issues as they arise. You must eventually systemize the core processes in a way that allows anyone to manage and improve them.

(v) *Structure*. Your structure must evolve to support your next phase of growth. Don't allow personalities, ego, fear and status quo to get in the way.

- Run your business on *1 operating system* so everyone's on the same page. When people use different terms, methods and metrics, things fall apart.

- *Be open-minded*. To grow, you must be willing to be honest and open about your vulnerabilities and to adopt new ideas.

We'll now explain each of the 6 key components and their associated tools. You can download the various tools and worksheets from eosworldwide.com.

KEY QUOTES

"As goes the leadership team, so goes the company."

"Organizations usually expand in spurts, by smashing through a series of ceilings."

"When you experience personal growth, the company will grow under you."

"Just as you need to figure out how to build an extension of yourself, your team can also extend the company by building teams under them, thus ensuring the company's continued growth."

"Too many organizations become stuck because they are set in their old ways and unwilling to change to fit their expansion."

- *Why does our organization exist?* Get each member of your leadership team to write down their answers to this question. Debate it over a few sessions (but don't overthink it). Summarize your purpose in 3-7 words using simple language. Make sure it's bold, has an "aha" effect, comes from the heart and involves everyone. For example, McKinley's purpose is "to enrich the quality of life in our communities".

- *What's our niche?* This is the 1 thing you'll focus on and do better than anyone else, be it "popcorn" or "moving people".

What's our 10-year goal? Set a clear direction by articulating where your organization will be in 10 years. The leadership team must discuss and define a crystal-clear picture that can excite and unite everyone in the organization.

What's our marketing strategy? Define who your ideal customers are and how you'll serve them well, with 4 components:

- The *3 Uniques™* that jointly differentiate you from competitors. Each item may not be exclusive to your organization, but the combination of all 3 items must be. For example, Southwest Airlines had a unique blend of fun, low fares and on-time flights. Get feedback from your sales team on what your customers find unique about you, then debate the list until you've defined your 3 Uniques™.

- *Your guarantee* is your promise on the problem you'll solve, e.g. Domino's promises to deliver your pizza in 30 minutes or it's free. This forces you to identify the solution for an industry-wide problem and ensure you can deliver it. Brainstorm (i) the biggest fears and frustrations of your key customers, (ii) the possible guarantees that'll drive more business and (iii) the penalty if you fail to deliver. Get feedback from your customers.

- *Your proven process*. Capture the process that has helped you to deliver results so far and present it visually in 3-7 steps. Each step is a major touch-point with your customers, summarized with 2-5 bullet points. This makes you stand out with potential customers and helps your staff to see where they fit. Name the process (e.g. "The ReadinGraphics Difference") and present it in a visually appealing way.

KEY QUOTES

"Find your core focus, stick to it, and devote your time and resources to excelling at it."

"Decide what business you are in, and be in that business."

"A 10-year target...is the one larger-than-life goal that everyone is working toward."

"The most common mistake that most organizations make (is) trying to be all things to all people. It's a game you will not win."

"You will not go out of a business without a guarantee, but you will attain your vision faster with one."

- *Your target market*. With your team, define the geographic, demographic and psychographic characteristics of your ideal customers, e.g. HR directors for companies in Canada with at least 200 staff. Develop a list of such customers and their contacts, identify the best way to reach them (e.g. cold call, referrals), and approach them with laser-focus. Communicate why you're unique, offer your guarantee and show your proven process.

What's our 3-year picture? Define clearly what your business will look like 3 years from now—this facilitates your 1-year planning and is near-term enough to be highly motivating. Get each member of your leadership team to write down their 3-year mental picture and read it out (while the others imagine it with their eyes closed). Debate and agree on the picture you're committed to create, including revenue, profit and other measurables (e.g. # clients or volume of output).

What's our 1-year plan? Agree on the 3-7 top priorities to be achieved this year to achieve your 3-year picture. Ensure they're specific, measurable and achievable. Less is more—it's better to focus on just a few key goals. Set a budget to ensure you have the resources to achieve the plan.

What are our quarterly Rocks? From your 1-year plan, work backward on your Rocks—your top priorities for the next quarter.

What are the issues? These are the key barriers that could keep you from your goals. Over 15 mins, get your team to list down *all* the opportunities, threats and obstacles you'll face.

Incorporate all the points from the 8 questions into the V/TO™.

Communicate the vision to everyone

With your vision on paper, you can now communicate it to everyone in the organization.

Use 3 events: (i) a company-wide kick-off meeting with Q&A, (ii) quarterly company-wide update sessions and (iii) quarterly departmental/team reviews.

Tips: Be prepared to repeat the vision many times before it truly sinks in. Welcome employees to share their views and concerns

KEY QUOTES

"With life and business moving as fast as it does.... there is little value in detailed strategic planning beyond a three-year window."

"Goals are set to be achieved...The team has to believe it's possible to hit the goal, or else you can't hold someone accountable to it."

"Now that you clearly know where you're going, you have to identify all of the obstacles that could prevent you from reaching your targets."

"When everyone's energy is going in the same direction, their accumulated drive will kick in and create an exponential force."

"People need to hear the vision seven times before they really hear it for the first time."

since it builds commitment to the goal. Your role is to share the vision and V/TO™ in a clear and compelling way; those who don't buy in will eventually leave.

2) People: Have the right people in the right seats

This component involves (i) identifying the right people for your organization and (ii) placing them in the ideal seats.

Identifying the Right People

The right people are those who share your company's core values and will thrive in your culture. Use the People Analyzer™ to assess the fit for each staff.

Evaluate each staff to see if he/she exhibits the core values most of the time (+), sometimes (+/-) or rarely (-). Aim to have only staff with only "+" scores.

Name	Value 1	Value 2	Value 3	Value 4
Staff 1	+	+	+	+
Staff 2	+/-	+/-	+/-	+/-
Staff 3	-	-	-	-

Manage under-performers with the 3-strike rule.

- Set expectations and give them 30 days to change. If there's no improvement after 30 days, discuss their performance again. If there's no improvement after another 30 days, let them go.

- Once you communicate your values clearly and live by them, people who don't fit in will typically leave before the 3rd strike.

Roll out the People Analyzer™ with your leadership team, using peer analysis and the 3-strike rule. Then, have the leaders do it for the rest of their team members. Thereafter, use the tool in your quarterly performance reviews.

Putting People in the Right Seats

Now that you have the right people, you must place them in the right seats, i.e. the roles and responsibilities must match their Unique Ability® (strengths and passions). Use the Accountability Chart to define the right structure, then the GWC™ to place people.

KEY QUOTES

"It all comes down to getting the right people in the right seats."

"The power of setting the bar is that you give all managers absolute clarity on what is acceptable and what is not."

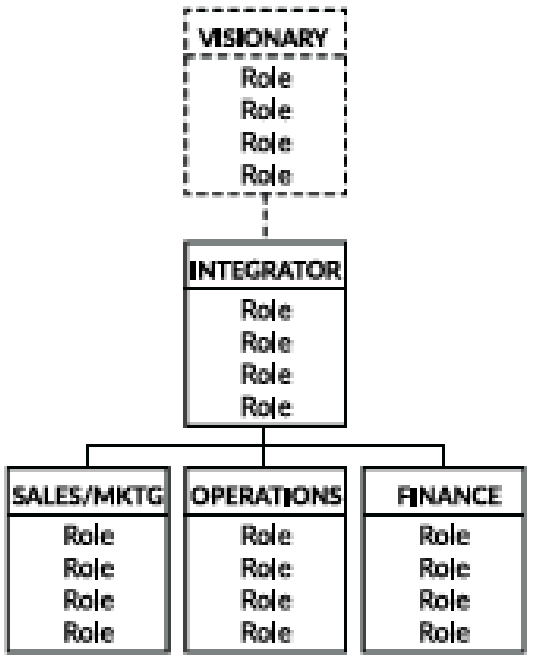
To define your ideal structure, ask this question: What's the right structure to propel us forward in the next 6-12 months?

- Flesh out the structure, with bullet points for the *key roles* and accountability for each seat.

- Generally, there are only *3 critical functions* in any business regardless of your stage of growth: Sales/Marketing, Operations and Finance. All other sub-functions can be grouped under one of these 3 main functions, e.g. production, delivery and customer service may fall under "Operations".

- The 3 functions are unified by an *Integrator* (e.g. CEO, President) who's strong in LMA™—leading, managing and accountability.

- Some organizations may also have a *Visionary* (e.g. the owner) who's more intuitive and creative. In such cases, it's vital to define the roles of the Visionary and Integrator so they're both in the right seats and leveraging their strengths.



Having developed your Accountability Chart and structure, you can now use the GWC™ to fill in the boxes and place the right people in the right seat.

- GWC™ stands for "*Get it, Want it, and Capacity to do it*". When someone has all 3 GWC™ components, he/she understands the ins-and-outs of the job, truly likes the role and has the mental-physical-emotional capacity to excel in it.

- Have *only 1 person accountable* for each function. It's ok to have 1 person in 2 seats, but not 2 persons in 1 seat.

Implementing the new Accountability Chart

Your chart is ready when: (i) the structure will get you to the next level, (ii) the right people are in the right seats and (iii) people have enough time to do their job well.

KEY QUOTES

"Create only the structure first...then put the right people in the right seats."

"The integrator is the glue that holds the company together."

"Life is much easier for everyone when you have people around you who genuinely get it, want it, and have the capacity to do it."

"When more than one person is accountable, nobody is."

This new Accountability Chart should replace your current org chart, though you may need to gradually phase out those who don't fit to avoid having too many gaps in your organization.

- Take time to *explain* the structure, roles and responsibilities so people understand them.

- Depending on your company's rate of growth, you may need to *review the chart* every 90 days so it evolves with your company. As people outgrow their roles (or vice versa), shift them so they can continue to focus on their Unique Ability®.

Making tough decisions. When the wrong person is in the wrong seat, you must let him/her go.

- *Right person, wrong seat*. Certain staff may be right for your organization but the roles are too big/small for them or don't use their Unique Ability®. Simply shift the person to the right seat if it's available. If no such seat is available, let the person go for the good of both the individual and the company.

- *Wrong person, right seat*. A staff can have the skills to perform well in a role, yet be misaligned with your values, e.g. a top salesperson who lacks integrity. Let the person go, as the long-term damage could be worse than the short-term pain.

3) Data: Get the pulse on your business

Without hard data, you'll be running your business on subjective opinion and impulses. Use a Scorecard to get weekly updates on your business, so you can have the pulse of your business, see real-time patterns and make sound decisions.

Develop your Scorecard

With your leadership team, define the 5-15 key numbers (e.g. weekly revenue, cash balance, customer rating) that summarize your business pulse.

Ask yourselves: if you can't contact anyone in your organization, what are the numbers that'll give you a clear sense of how your business is doing? Put these into a company scorecard. For each indicator, define (i) who's accountable, (ii) the weekly goal (tied to your 1-year plan), and (iii) who will update the scorecard.

KEY QUOTES

"You must do a little pruning from time to time for the organization to flourish."

"No matter how difficult the issue is, you have to make a good business decision here for the long haul."

"Only factual information can provide the basis for productive discussion and decision-making."

"What gets measured gets done."

Tips: Go for activity-based numbers that help you to anticipate problems, e.g. instead of tracking revenue, track the activities that drive revenue such as # leads generated or # orders. Use red-flags to highlight numbers that are off-track, e.g. highlighting them in red.

Have Measurables for Everyone

Eventually, aim to translate the company scorecard into 1 meaningful, manageable number for every person in the company. This provides a concrete way for ongoing improvement at all levels.

Everyone has a number e.g. the receptionist picks up the phone within 3 rings while the production executive completes 15 QC-approved units each shift. Use the roles in the Accountabilities Chart as a starting point to define the numbers.

Communicate and display the numbers clearly, so people are crystal-clear on their targets and can identify problems early. It also injects friendly competition and promotes teamwork, since people can see how they each contribute to the wider goal.

4) Issues: Build a solutions-oriented environment

Issues are the obstacles to your goals and vision. Most entrepreneurs are so overwhelmed with firefighting that they don't make time to uncover the root problems. It's also human nature to procrastinate on tough decisions. Create an open, solutions-oriented environment where issues are flagged out, assessed and managed at all levels.

Develop and manage your Issues List

Use 3 types of Issues Lists to bring problems out into the open:

- *V/TO™*: Here, list all issues that can be tackled after 90 days, e.g. new product ideas, office relocation.
- *Weekly leadership team meetings*: Here, senior leaders address all strategic issues for this week/quarter, e.g. company Rocks that're off-track.
- *Departmental meetings*. Here, weekly/quarterly issues that can be handled at departmental level are resolved, e.g. sales orders.

KEY QUOTES

"When an employee is clear on his or her number and agrees that he or she can achieve it, you have commitment."

"With the vision clear, people in place and data being managed through a Scorecard, you're creating a transparent organization where there is nowhere to hide."

"Problems are like mushrooms: When it's dark and rainy, they multiply. Under bright light, they diminish."

"Your ability to succeed is in direct proportion to your ability to solve your problems."

"More is lost by indecision than by wrong decisions."

Resolve issues with IDS™

Don't tackle the issues list in sequential order. Scan the list, pick the top issues then use the 3-step IDS™ process to resolve them quickly.

- *Identify* the real issue. Don't waste time on the wrong issue—the stated problem is usually the symptom, not the cause. Take time to peel away the layers—once the root issue is identified, the solution tends to become clear and other issues will dissolve on their own. Be prepared to get uncomfortable, as the real issue often boils down to people and even the leadership team.

- *Discuss*. Once you identify the issue correctly, this step is simple. Let everyone air their views succinctly about the issue once.

- *Solve* the problem by deciding on a specific action step. This may involve (i) taking a direct action to solve the problem, (ii) agreeing on a new principle or rule, or (iii) assigning someone to research the issue for discussion at a next meeting.

Tips: Don't rely on second-hand info—bring in the people who're involved in the decision. Don't make decisions by consensus, but present a united front once a decision is made. Always end the meeting by summarizing the solution and who will do what.

5) Process: Systematize your Way of doing business

An organization typically has 6-10 core processes that are linked together via a unique system—this is what Michael Gerber calls your "franchise prototype". Define and document your unique Way of doing things, so it can be consistently applied and refined, giving you the option to duplicate, scale, maintain or sell your business.

Document your Core Processes

Together with your leadership team, identify your 6-10 core processes and name them so you use the same terms. Examples include: HR (how you find, hire, integrate, manage and reward people), sales (how you convert a prospect to a customer), accounting (how you manage your money and cashflow).

KEY QUOTES

"The stated problem is rarely the real one."

"Everyone should say what they believe but they should say it only once, because more than once is politicking."

"Consensus management does not work, period."

"Nothing can be fine-tuned until it's first consistent."

Get the person accountable for each core process (under the Accountability Chart) to document the process. Use the 80/20 rule—document the 20% that deliver 80% results. Each process can usually be captured in 2-10 pages of bullet points. Streamline the processes, e.g. remove/combine steps, develop checklists.

Package the materials and make them available for training and reference.

Adopt the System Organization-Wide

Get *everyone* to adopt the system. Present the system and its component parts visually so people can see how their activities impact others, and how the system will benefit both their individual work and company results. Explain and reinforce it at your company meetings and training.

6) Traction®: Bring the Vision to Life

To bring your vision to life, you need to execute your plans and sustain the momentum. Instill discipline and accountability with 2 key components: Rocks and Meeting Pulse™.

Focus on Quarterly Rocks

Humans have a short attention span and tend to lose focus beyond 90 days. To retain focus and momentum, break down your scary long-term goals into bite-sized pieces and short 90-day bursts.

Each quarter, identify the Rocks (your 3-7 biggest priorities) at the company, departmental and individual levels so everyone's aligned on a few key goals. When you get the biggest chunks (the Rocks) out of the way, the smaller pieces will fall in place.

Do a full-day review with your leadership team every 90 days:

- Review the V/TO™, list the priorities for the next 90 days, then narrow down to *3-7 Rocks* for this quarter. Ensure each Rock is specific, measurable and achievable, e.g. "get 3 core accounts at ≥$1 mil each". Assign 1 person who'll be fully accountable for the completion of the Rock that quarter.

KEY QUOTES

"The world is filled with many great visions. Unfortunately, most will go unrealized due to an inability to gain traction."

"To the degree that you focus everyone in one direction, you'll gain the power of (a) laser beam, gaining traction toward your goals."

"Less is always better, and a few priorities are better than many. Do less, accomplish more."

- From the company Rocks, set 3-7 Rocks for each leadership team member. Consolidate them onto a *Rock Sheet* for your weekly meetings. No new priorities can be added that quarter.

- Share the company Rocks with the whole organization. Each department will then set their own *team Rocks*. Unlike the company and leadership team members (who have 3-7 Rocks each), all other staff should have only 1-3 Rocks.

Tips. Don't rush the process as setting the wrong Rocks will mean wasting a full quarter. Give yourself at least 2 quarters to get a hang of the process and commit to the routine—don't let it fizzle out.

Meeting Pulse™

Well-run meetings are essential for accountability, results and efficiency. The Meeting Pulse™ comprises quarterly and weekly meetings where the leadership team meets (without fail) to drive progress and solve issues. 90-day issues go into the V/TO™ and 7-day issues go into the weekly To-Do list.

Quarterly meetings. Leaders meet off-site for about 8 hours with a strategic focus. Everyone comes with a completed V/TO™ and a list of proposed issues and priorities for the coming quarter.

Agenda	Description
Set the tone	Each person shares (i) best business & personal news last quarter, (ii) what's working/not working and (iii) expectations for the mtg.
Review last quarter	• Review the V/TO™: recommit to vision + update issues list. • Review all key numbers and Rocks: done vs not done. • Examine reasons for each incomplete Rock. Decide whether to (i) bring over to the next quarter, (ii) put in weekly To-Do list (if already ≥ 95% complete), or (iii) reassign to someone else.
Set Rocks for next quarter	• List down priorities ➡ Narrow down to 3-7 company Rocks. • Set 3-7 Rocks for leaders + get someone to compile Rock Sheet.
Resolve key issues	• Each leader to share additional issues if any. • Review issues list. Pick top 3 issues and resolve using IDS™. • Solve as many as possible. The rest go into V/TO™ or To-Do list.
Next steps	Summarize who to do what.
Conclude	Each person shares (i) feedback on meeting (ii) if expectations were met and (iii) rating for the meeting.
Note: Aim to complete ≥80% Rocks and get ≥80% rating for each meeting.	

KEY QUOTES

"The Meeting Pulse is your organization's heartbeat."

"You will rarely solve (all the issues). The important thing is to make sure you're solving them in order of priority."

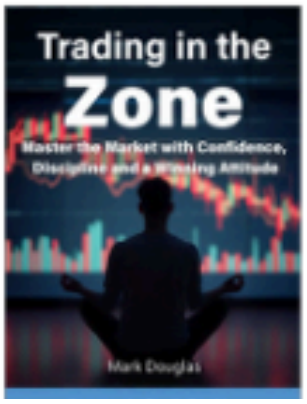
Annual meeting. Leaders meet off-site for 2 days. Everyone comes with a completed V/TO™, suggested goals and a proposed budget for the next year. Use the agenda below for Day 1, and follow the quarterly meeting agenda above for Day 2.

Day 1 Agenda	Description
Set the tone	Each person shares (i) 3 top business achievements that yr, (ii) 1 top personal achievement and (iii) expectations for the mtg.
Review last year	Review key numbers and last quarter's Rocks and what worked or didn't work. Be as specific as possible.
Build Team Health	Each person (i) gets feedback on his/her 1 greatest strength and 1 biggest weakness wrt to the company's success and (ii) commits to doing 1 thing differently the next year.
SWOT/ Issues List	Each person shares what he/she thinks the key SWOTs are. The items go into Issues List.
V/TO™	• Review V/TO™: Challenge assumptions/goals. • Define new 3-Year picture and new 1-year plan.

Weekly meeting. Leaders meet for 90min in the office to solve problems and keep things ontrack. Everyone comes with the Rock Sheet and completed Scorecard. Stick to the same agenda, duration, time and place every week.

Agenda	Description
Set the tone (5min)	• Start on time and turn off all electronic devices. • Share good news as a team.
Scorecard (10min)	• Review key numbers quickly. • All off-track numbers go into the IDS™ .
Rock review (10 min)	• Review company and individual Rocks. • All off-track items go into the IDS™
Client/staff headlines (5min)	• Share key good/bad updates about customers and emloyess • Issues are added to the IDS™ .
To-Do list (10min)	• Review last-week's to-dos. Delete "done" items. • No item to stay on the list for >2 weeks.
IDS™ (45min)	• Scan issues list. Work on top 3 issues, then next 3 etc. • Any identified solutions go into To-Do list.
Conclude (5min)	• Recap To-Do list. • Agree on comms (if any) to the rest of the organization.
Note: Aim to finish 90% of To-Do items and get 100% rating for each meeting.	

KEY QUOTES



TRADING IN THE ZONE

Master the Market with Confidence, Discipline and a Winning Attitude

Mark Douglas

The Big "So What"

Why do so many smart, hardworking traders fail while a few seem to thrive effortlessly? In this book, Mark Douglas explains that consistent trading success has little to do with strategies or analysis—and everything to do with mastering your own mind. He shows how to rewire your beliefs and develop the mental discipline needed to stay calm, objective, and profitable in an unpredictable market.

Introduction

Many traders see trading as a battle against the market. They rely on technical analyses and strategies to outsmart the market—without realizing that the real challenge lies in mastering their mindset and emotions.

Mark Douglas learned this the hard way. After a successful career in commercial insurance, he started trading full-time in 1981—only to lose almost everything within months. That experience led him to study the mental and emotional barriers to trading success. Over more than 2 decades, he coached traders of all levels—from beginners to top floor traders—becoming one of the pioneers in trading psychology.

- In this book, Douglas distilled his lifetime of insights into a practical guide for *developing a "winner's mindset"* and operating from a calm, disciplined, and fearless state known as "the zone."
- Whether you're a beginner or an experienced trader, this mental framework can transform how you think, feel, and act to achieve *consistent trading results* over time.

KEY QUOTES

"The goal of any trader is to turn profits on a regular basis, yet so few people ever really make consistent money as traders."

"Just because you are acting in the capacity of a trader, doesn't mean that you've learned the appropriate ways to think about what you do."

"If your goal is to trade like a professional and be a consistent winner, then you must start from the premise that the solutions are in your mind and not in the market."

"Trading presents us with a fundamental paradox: How do we remain disciplined, focused, and confident in the face of constant uncertainty?"

- In this summary, we've organized the insights into *2 parts*:

  (i) Why most traders fail; and

  (ii) How to build a winning mindset.

Part 1: Why Most Traders Fail

Trading Approaches and their Limitations

Most traders approach the market the wrong way. They try to use analyses to outsmart the market, not knowing that the real battle is inside their own minds.

This is reflected in the evolution of trading approaches:

- In the 1970s, *fundamental analysis* was seen as the only credible approach. It predicts future prices using economic and financial indicators like earnings, supply/demand, and interest rates. It assumes that the market is rational, and prices reflect true value. In reality, market prices are driven by irrational perceptions, emotions, and actions of market participants.

- In the 1980s, *technical analysis* gained popularity. It's more effective than fundamental analysis since it identifies patterns in prices and market behavior. Such patterns are:

  (i) Observable, measurable, and repeatable across different timeframes; and

  (ii) Easier to translate into objective trading systems, helping traders to bridge the gap between market theory and reality.

- Even with sound technical systems, many traders are unable to execute consistently under pressure. They get derailed by fear, impulsiveness, hesitation, or overconfidence. To close the gap between what you know and what you actually do, you need *mental analysis*—to understand and manage your beliefs, emotions, and reactions when faced with uncertainty.

KEY QUOTES

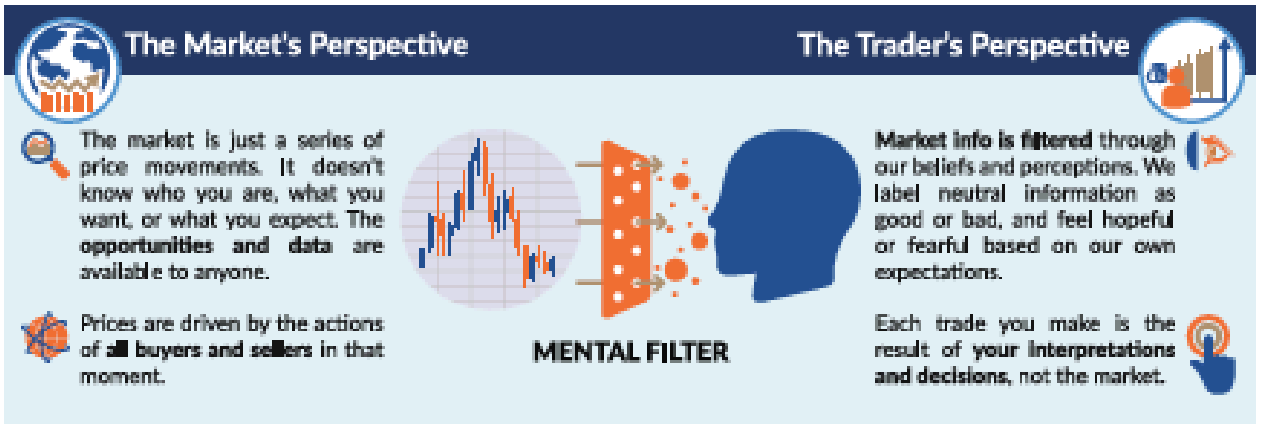
"This book is designed to give you...the insight and understanding you need about yourself and about the nature of trading."

"Attitude produces better overall results than analysis or technique."

"Fundamental analysis creates what I call a 'reality gap' between 'what should be' and 'what is.'"

"In a sense, technical analysis allows you to get into the mind of the market to anticipate what's likely to happen next, based on the kind of patterns the market generated at some previous moment."

"There can...be a huge gap between what you understand about the markets, and your ability to transform that knowledge into consistent profits or a steadily rising equity curve."



How Beliefs Distort Market Information & Responses

Most traders don't perceive the market as it is. We filter market information through our beliefs, perspectives, emotions, and biases.

- *The market is neutral and impersonal*. It doesn't know who you are, and it doesn't care what you want or expect. It simply reflects the collective actions of all participants.
- However, we label market data as "good" or "bad", and feel hopeful or fearful based on our own expectations. After a few losses, a trader may hesitate on the next valid setup out of fear. After a few wins, the same trader may get over-confident and overcommit. In both cases, the market hasn't changed—just the *internal state* of the trader.

Your beliefs influence every aspect of trading. They're like internal filters: they affect what you notice or ignore, how you interpret market information, how you define risk or reward, and how you respond to market changes.

- When your beliefs are *aligned* with reality, you feel calm, clear and confident. When they aren't, you feel stressed, confused, and conflicted—even if your analysis is correct. For example, you might think "I accept risk", yet feel anxious about a trade.
- The most dangerous beliefs are the ones you're unaware of. For example, you might believe "I don't deserve to win" or "It's wrong to profit easily." These hidden beliefs can cause you to make "accidental" mistakes—or feel guilty when you win.

Our minds are wired to resolve uncertainty by associating what we see now with what we've seen before. We might assume

KEY QUOTES

"Trading is probably the hardest thing you'll ever attempt to be successful at…not because it requires intellect…But because the more you think you know, the less successful you'll be."

"It's your own mental framework that determines how you perceive [market] information, how you feel, and, as a result, whether or not you are in the most conducive state of mind to spontaneously enter the flow and take advantage of whatever the market is offering."

"To avoid the pain, we narrow our focus of attention and concentrate on information that keeps us out of pain."

that 2 similar-looking patterns or setups will bring similar outcomes—which is untrue, since every moment in the market is unique.

Many traders unconsciously expect the market to fulfill their hopes and expectations. When it doesn't, they feel betrayed.

- The market owes you nothing. Each trade you make is the result of *your own interpretations and decisions*.
- Traders get stuck when they *take each trade personally* as reflection of their prediction or intelligence. They feel great when they're right and upset when they're wrong. They pick and choose trades based on how they feel, instead of following a process strictly. This leads to random, unreliable results.

When you think you know what happens next, you fall into 3 common traps:

- *Not predefining risk* since you believe this trade is a sure thing.
- *Not cutting losses* since you don't want to admit you're wrong.
- *Not taking profits*, since you're still hoping for more.

The market merely reflects your inner state. Your job isn't to control it, but to manage yourself. Here's the harsh truth:

- 40–50% of traders know how to win, but get trapped in emotional *boom-and-bust cycles*.
- 30–40% *lose consistently* due to illusions and lack of responsibility.
- Only less than 10% *win consistently*. To join this 10%, you must master your mindset.

Part 2: Building a Winning Mindset

The consistently-successful trader you wish to be doesn't exist yet. To reach that level, you must deliberately build a new mental version of yourself—one that can act with clarity, objectivity, and consistency, regardless of wins or losses.

KEY QUOTES

"When we expect something, we are projecting out into the future what we believe to be true."

"The typical trader won't predefine the risk of getting into a trade because he doesn't believe it's necessary."

"If we're going to feel great if the market does what we expect it to do, or feel horrible if it doesn't, then we're not exactly neutral or open-minded."

"The consistency you seek is in your mind, not in the markets."

"You must create a new version of yourself, just as a sculptor creates a likeness of a model."

This transformation requires both fearlessness and restraint:

- Being fearless doesn't mean taking bigger risks. It means removing *fear-based internal conflict*. When you're no longer trying to avoid pain or prove yourself right, you can act decisively and accept losses without emotional turmoil.
- To stay consistent, you also need *restraint*—the ability to remain grounded and disciplined whether you're winning or losing.

The strategies below help you to achieve this transformation.

Create Internal Rules and Structures

Trading offers immense freedom. There are no fixed rules, no bosses, no external accountability. You decide when to trade, how much to risk, and when to enter or exit. But that same freedom can be dangerous.

- Most people are used to operating within structured environments like schools, families, and workplaces, which come with clear *boundaries, rules, and norms* that guide behavior and curb emotional impulses.
- Trading lacks such external structures. So, traders must *impose their own internal rules* for discipline and self-control. Otherwise, emotions—like fear, greed, impatience—can override logic, leading to erratic and self-destructive behaviors. In short, rules aren't restrictive, but essential for sustainable freedom.

Accept Risks and Responsibility Fully

Traders often take credit for wins, but blame external forces (e.g. market, bad luck) for losses. To get consistent results, you must fully own your actions, decisions, and outcomes, without blaming external factors.

Ultimately, you (not the market) are responsible for your trading results.

KEY QUOTES

"Successful traders have virtually eliminated the effects of fear and recklessness from their trading."

"Freedom is great…But that doesn't mean that we have the appropriate psychological resources to operate effectively in an environment that has few…boundaries."

"We have to be rigid in our rules and flexible in our expectations… [but] the typical trader does just the opposite: He is flexible in his rules and rigid in his expectations."

"You are not responsible for what the market does or doesn't do, but you are responsible for everything else that results from your trading activities."

- If you've *truly accepted* the risks and responsibility, you'll see losses as part of the game, not a personal failure or market betrayal. You learn from each trade and move on.

- If you *haven't*, then each loss feels like a violation.

  (i) You treat the market like an enemy and get emotional when trades go wrong.

  (ii) You chase "better analysis" to eliminate losses. This reinforces the false belief that the market is the problem, and prevents you from developing the emotional skills needed to manage risk.

Adopt a Probability Mindset

Stop trying to predict or control markets that are inherently uncertain. The key to consistent, long-term success is to think in probabilities by treating each trade as a unique event with an uncertain outcome. To do that, you must adopt 2 beliefs:

- At a *micro level*, each trade is unique. Even if a setup looks familiar, the participants involved are different, so the outcome is always uncertain. Since you can't predict who will trade or how they will trade, it's impossible to predict the outcomes.

- At the *macro level*, a consistent process applied over time will yield consistent results, despite the randomness of individual trades. Over large numbers of trades, the market has a higher probability of moving in some directions over others.

To be a probability-based trader, embrace 5 fundamental truths:

KEY QUOTES

"You have to understand, with every fiber of your being, the ways in which you are and are not responsible for your success as a trader."

"Taking responsibility means acknowledging and accepting, at the deepest part of your identity, that you—not the market—are completely responsible for your success or failure as a trader."

"When you achieve complete acceptance of the uncertainty of each edge and the uniqueness of each moment, your frustration with trading will end."

"The idea is to create a carefree state of mind that completely accepts the fact that there are always unknown forces operating in the market."

- *Anything can happen*: You can't predict the market, so make sure you stay open and flexible.

- *You don't need to know what will happen next* to make money. Just execute your plan and let the probabilities play out over time.

- There's a *random distribution between wins and losses* for any given set of variables. No matter how good the setup, you can still lose.

- *An edge means one outcome is more likely* than another—but the outcome is never guaranteed.

- *Every moment in the market is unique*. Treat each trade as a new situation, even if it looks familiar.

Remember: consistent trading results mean a steadily-rising equity curve, with minor draw-downs on occasions. Your goal is to produce consistent profitability and keep the profits over time. When you *truly* accept the 5 fundamental truths, you can trade without fear or stress, and be at peace with any outcome.

- However, it's *not enough to understand these truths logically*—you must install them into your belief system, which is easier said than done.

Align Your Beliefs with Market Reality

Beliefs shape how you perceive, interpret, and react to everything, including the market.

- *Beliefs are hard to change* because they're tied to your identity. Challenging a belief can feel like a threat, so your mind distorts or blocks info that doesn't fit existing beliefs. This is why people often cling to old beliefs even when they see evidence that contradicts them.

- In trading, beliefs affect how you interpret market signals. You don't react to what the market is actually doing—*you react to what you believe* it means. For example, if you believe "losing means I'm a bad trader," you'll try to avoid loses or win them back quickly, rather than assess opportunities objectively.

KEY QUOTES

"The best traders stay in the flow because they don't try to get anything from the market; they simply make themselves available so they can take advantage of whatever the market is offering at any given moment. There's a huge difference between the two perspectives."

"Most of the time, understanding a concept is only a first step in the process of integrating that concept at a functional level."

"The fear of admitting we are wrong causes us to place an inordinate amount of significance on information that tells us that we're right."

Consistency is a state of mind, like happiness. It comes from internal alignment, not from trying harder.

- You can't change beliefs through logic alone. The only way is to *rewire them through repeated action*, until the new thinking and behaviors become natural.
  - For example, someone who fears snakes won't stop feeling afraid just because they understand logically that certain snakes are harmless. The fear only fades with repeated, safe experiences around snakes.
  - Trading works the same way. If you fear losing, logic won't dissolve that fear. You must take repeated actions without hesitation until confidence replaces fear as your default response.
- To trade consistently, it's not enough to understand probability. You must align your belief system with how the market really works—by *installing the 5 fundamental truths into your belief system* so they operate automatically without resistance.

Douglas argues that beliefs are energized through repeated action and experience.

- You can't delete or destroy a belief, but you can *shift its energy to deactivate it*. Each time you act in line with a new belief, you energize and reinforce it—while draining energy from the old one. Over time, the new belief becomes dominant, and the old one becomes dormant.
- For example, you might hold two conflicting beliefs at once, like "trading is scary" and "I can trade with confidence." The one you reinforce will have more *emotional energy* to shape your decisions and results.

Internalize The 5 Fundamental Truths In 3 Stages

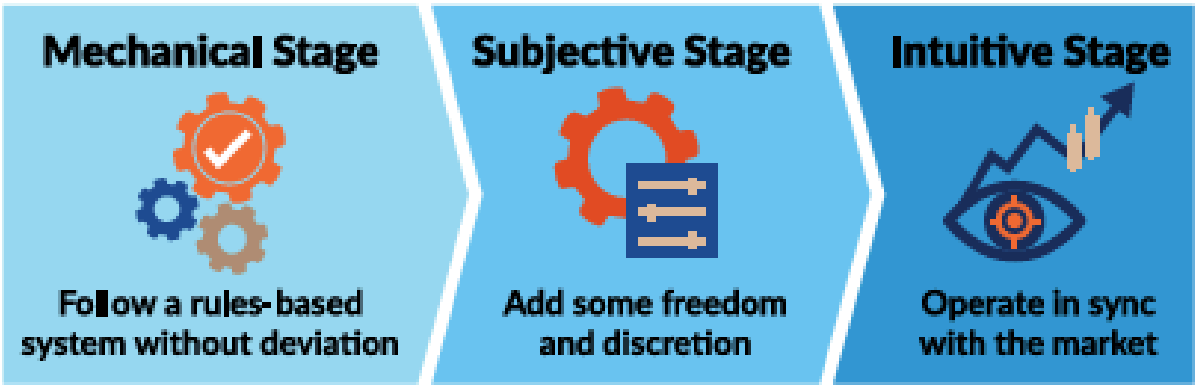
There are 3 developmental stages to progressively master your mindset and move from "knowing" to "being".

KEY QUOTES

"Risk is relative, but to the person who perceives it in the moment, it seems absolute and beyond question."

"If you stop fighting the market, which in effect means you stop fighting yourself, you'll be amazed at how quickly you will recognize exactly what you need to learn, and how quickly you will learn it."

"The easiest and most effective way to work with our beliefs is to gently render them inactive or nonfunctional by drawing the energy out of them. I call this process de-activation."



Mechanical stage: Build discipline, self-trust, and consistency through a rules-based trading approach.

- Choose your *market and trading system*.
  - *Market*: Any actively-traded stock or futures contract that's liquid, with affordable margins for trading >300 shares or 3 futures contracts per trade.
  - *System*: Any rule-based trading system that clearly define your edge (trade entry, stop-loss exit, and time frame).
- *Sample size = 20 trades*: Commit to execute at least 20 trades based on the chosen edge, with zero deviation. Accept that you may lose on all 20 trades. The objective isn't to win, but to train your mind to act consistently, without hesitation.
- Closely observe your own thoughts, feelings, and actions to *notice and address any internal conflict*.
  - If you've adopted a probability mindset and truly believe the 5 Truths, the exercise will feel *effortless* because your actions are align with your beliefs.
  - If you notice any *internal conflict* (e.g. fear, doubt, or the urge to break your rules), pause to examine the underlying beliefs and refocus on your objective.
  - Each time you stick to your process despite emotional urges, you withdraw energy from old beliefs and reinforce new ones that *reinforce probabilistic thinking*.
- To support this, repeat the 5 fundamental truths aloud each day, along with these *7 principles of consistency*. Remind yourself: "I am a consistent winner because...
  - I identify my edges objectively.
  - I predefine the risk of every trade.

KEY QUOTES

"When you really believe that trading is simply a probability game, concepts like right and wrong or win and lose no longer have the same significance. As a result, your expectations will be in harmony with the possibilities."

"'What is the truth?' The answer is, whatever works."

"When you have accepted the risk, you will be at peace with any outcome."

"Beliefs exist in our mental environment from the moment they are born to the moment we die, unless we consciously take steps to de-activate them."

- I completely accept the risk or I'm willing to let go of the trade.
- I act on my edges without reservation or hesitation.
- I pay myself as the market makes money available to me.
- I continually monitor my susceptibility for making errors.
- I understand the absolute necessity of these principles of consistent success and, therefore, I never violate them."

- Keep going until you can finish a full sample size effortlessly, *with no inner resistance*.

Subjective stage: With a stable foundation, you can start adding some freedom and discretion.

- Use everything you've learned to *interpret the market in your own way*, while staying aware of psychological traps like tying your self-worth to your profits.
- Focus on using *internal controls* to reduce emotional errors and avoid lapsing into old habits. The goal is to progressively improve self-management, so you can stay objective without relying entirely on external systems.

Intuitive stage: This is the highest level, where you've transited from "knowing" to "being". You're no longer trying to apply what you know—you're doing them intuitively and effortlessly because you've changed your inner state. It's like earning a black belt in martial arts.

- You're now *operating in "the zone"* where the right decisions and actions come naturally because you're fully in sync with the market. You trade with presence and focus because you're at peace with any outcome, and feel free from all fear, hesitation, or internal conflict. You don't *try* to be consistent. You simply *are*.
- You can't force your way into this state. You can only enter it with the right mental conditions—a *fear-free, objective state of mind*:
  - You *see market data clearly* and respond to what's happening, not what you hope or fear might happen.

KEY QUOTES

"The irony is that if [a trader] completely accepted the fact that certainty doesn't exist, he would create the certainty he craves: He would be absolutely certain that certainty doesn't exist."

"Acting appropriately on anything requires belief and clarity of intent, which keeps our minds and senses focused on the purpose at hand."

"The zone is a mental space where you are doing more than just reading the collective mind, you are also in complete harmony with it."

- You let go of all personal agenda—you're not trying to prove you're right, win back losses, or take revenge on the market. This allows you to be *fully present* to market opportunities.
- You *operate in the now moment*, treating each trade as a unique event, with no emotional baggage from past outcomes.

- In this this state, there's no fear, hesitation, or internal compulsion, because you've built trust in yourself, fully accepted uncertainty and risk, and you're *at peace with any outcome*.

Other Details in the Book to Look out For

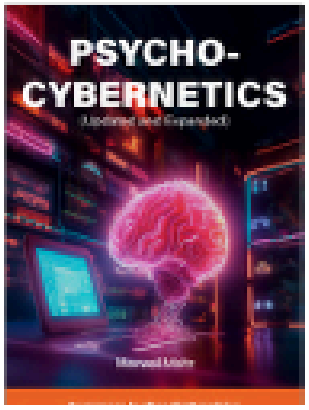
The key to lasting success in trading isn't better strategies, but a better mindset—and you can reshape your mental framework in 3 stages to internalize the 5 fundamental truths of successful trading. In the book, Douglas explains the success ingredients of trading in detail, along with additional tools like an attitude survey and guided exercises to help you deactivate old beliefs and build new ones, so you can trade with confidence, clarity, and consistency.

About the Author

Mark Douglas (1948–2015) was a leading expert in trading psychology and founder of Trading Behavior Dynamics, a firm that coached traders to overcome emotional and mental roadblocks. After starting in commercial insurance, he became a full-time trader, which led to a decades-long career helping traders master the mental side of the markets. His work was instrumental in shifting the industry's focus from analysis to mindset, and his books—The *Disciplined Trader* and *Trading in the Zone*—remain classics in the field.

KEY QUOTES

"By making yourself available, you consciously open yourself up to find out what will happen next; instead of giving way to an automatic mental process that causes you to think you already know."



PSYCHO-CYBERNETICS

(Updated and Expanded)

Maxwell Maltz

The Big "So What"

In this book, Maxwell Maltz applies cybernetics—traditionally used to study feedback systems in machines—to understanding the human mind and personal transformation. He offers a step-by-step guide to reshape your self-image, thereby reprogram your mind, break free from self-imposed limitations and achieve success in any area of your life.

What is Psycho-Cybernetics?

Cybernetics is the study of systems that automatically achieve goals using feedback.

- Just as a missile uses feedback to correct its course and hit its target, the *human brain* also uses feedback to adjust actions and achieve goals. Dr. Maltz applied these principles to the mind, showing how our brain can be programmed to achieve success and personal growth.

The brain is like an advanced computer. Like a computer, the brain processes experiences and adjusts actions based on feedback. However, the brain is far more complex, since it's powered by human creativity, beliefs, and imagination.

- The *conscious mind* is our thinking mind. It consciously analyzes inputs and can choose to accept, reject, or create ideas.
- Our *subconscious mind*, on the other hand, accepts ideas without question. Such ideas are imprinted by the conscious mind through thoughts or vivid imagination. The more often an idea is repeated with strong emotional responses, the deeper the imprint.

KEY QUOTES

"The self-image is the key to human personality and human behavior. Change the self-image and you change the personality and the behavior."

"Man is by nature a goalstriving being...Thus true success and true happiness not only go together but each enhances the other."

"Psycho-Cybernetics does not say that man is a machine. Rather, it says that man has a machine that he uses."

"The more that is learned about the human brain, the more closely it resembles—insofar as function is concerned—a servo-mechanism."

- Once these beliefs or goals are programmed into the subconscious, they shape our *actions and responses*, often without our conscious awareness.

The subconscious mind has a Creative Mechanism which functions like a goal-seeking system. It doesn't question or judge the goals it receives, be it positive or negative. It simply follows those instructions, calibrating our actions/responses until it achieves the goal.

- When we focus on clear, positive goals, our mind works as a *Success Mechanism* to help us achieve those goals. When we focus on negative/limiting beliefs, our brain acts as a *Failure Mechanism*, steering us toward those undesired outcomes.

- The brain uses *two types of feedback systems* to reach goals:

  (i) When it receives a *clear, specific goal*, it acts like guided missile to direct our actions/responses toward that goal.

  (ii) When we lack the direct experiences to achieve a goal, the brain can come up with *creative solutions* through imagination and mental rehearsals (elaborated below).

The Power of Self-Image

As a plastic surgeon, Dr. Maltz noticed that patients often experienced a strong shift in psychology and behaviors after changing their physical appearance. Yet, they seldom experienced lasting happiness. It led him to realize that true transformation comes from within, not from physical or external changes.

Self-image is the mental blueprint of who we believe we are. It is built from our past experiences, successes, failures, and beliefs.

- It is like an invisible guide directing your subconscious mind, *influencing everything you do*. It controls your thoughts, actions, feelings, and even your abilities, ultimately determining your results.

  (i) If you see yourself as a failure, you will unconsciously find ways to fail, no matter how hard you try.

KEY QUOTES

"This Creative Mechanism within you is impersonal. It will work automatically and impersonally to achieve goals of success and happiness, or unhappiness and failure, depending on the goals that you yourself set for it."

"When you do see a thing clearly in your mind, the creative Success Mechanism within you takes over and does the job much better than you could do it by conscious effort, or "willpower.""

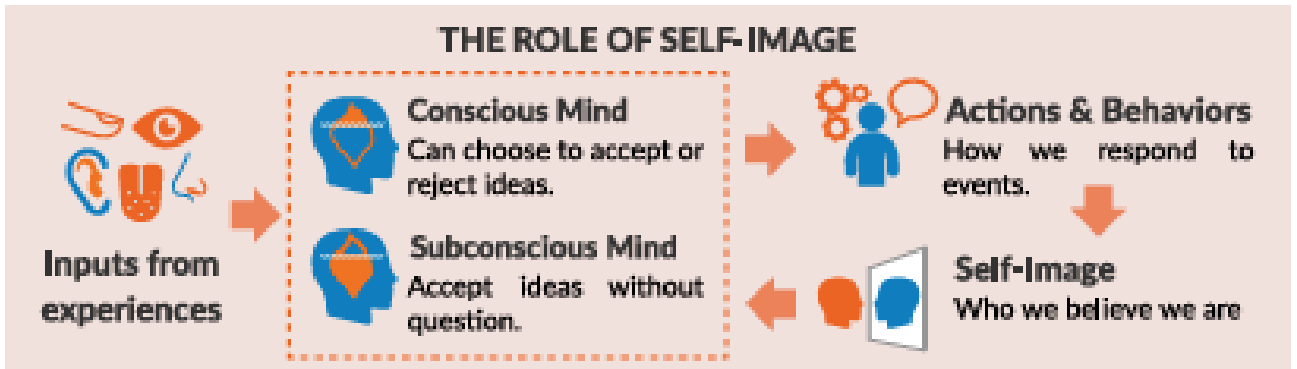
"A plastic surgeon does not simply alter a man's face. He alters the man's inner self."

"The self-image is a premise, a base, or a foundation upon which your entire personality, your behavior, and even your circumstances are built."

"All your actions, feelings, behaviors—even your abilities—are always consistent with this self-image...you will 'act like' the sort of person you conceive yourself to be."

(ii) If you see yourself as capable and successful, your actions and experiences will align with that belief, creating a reinforcing cycle of positive outcomes.

- To achieve lasting behavioral change, you must first *change your self-image*—and it *can* be changed.
  - Positive thinking alone won't work if you hold a negative belief about yourself. But once your self-image changes, new behaviors come naturally and effortlessly.
  - Psychologist Prescott Lecky found that students who improved their self-image saw significant academic improvement, with one student going from failing to achieving A-grades.



A flawed self-image often leads to "imaginary ugliness," where people feel unattractive despite their actual appearance. The solution is to build a healthy self-image, not to alter your physical appearance. In the next section, we will break down how to do so by activating the Success Mechanism and overcoming the Failure Mechanism.

The ideas in this book cannot be understood intellectually; they must be experienced. It takes at least 21 days of consistent mental rehearsal and visualization to reshape a self-image. So, make sure you practice the tips and ideas below without judgment, so as to experience the effects for yourself.

Living a More Successful, Fulfilling Life

To live a successful and fulfilling life, you need a realistic self-image—to recognize both your strengths and weaknesses without exaggeration or denial, so you can express your true self with confidence.

KEY QUOTES

"Positive thinking" cannot be used effectively as a patch or a crutch to the same old self-image."

"The self-image sets the boundaries of individual accomplishment. It defines what you can and cannot do. Expand the self-image and you expand the 'area of the possible.'"

"To find life reasonably satisfying, you must have an adequate and realistic selfimage that you can live with. You must find your self acceptable to 'you.'"

"You can neither prove nor disprove the ideas and concepts described in this book with intellectual argument, or simply by talking about them. You can prove them to yourself by doing them and judging results for yourself."

unrealistic expectations, a negative self-image, or perfectionism. Acknowledge the frustration and adjust your expectations.

- *Aggressiveness*: The desire to control, dominate, or forcefully achieve goals can lead to irritability, health issues, and strained relationships. Find healthy outlets (e.g. exercise, writing) to release the tension.

- *Insecurity*: Self-doubt, comparison, and unrealistic standards can lead us to avoid challenges or overextend ourselves. Rather than seek perfection or prove your superiority, embrace imperfection as part of continuous growth.

- *Loneliness*: Fear of rejection or low self-worth can lead to a cycle of withdrawal from others and further disconnection. Actively engage with others even if it feels uncomfortable initially.

- *Uncertainty*: When we feel lost or unclear about our direction, we might feel paralyzed or start blaming others. Instead of avoiding mistakes, seek to learn from them instead.

- *Resentment*: When we blame others for our failures, we get trapped in a cycle of self-pity, blame and negative thinking. Forgive, let go of past grievances, and move forward.

- *Emptiness*: We feel unfulfilled and apathetic when we pursue goals that are misaligned with our values or emotional needs. To regain purpose and fulfillment, refocus on goals that align with your true desires and values.

Using Imagination & Visualization

Mental imagery is a powerful tool for guiding the brain toward a goal. When we visualize success or achievement, it activates the brain's Creative Mechanism to make that outcome a reality.

- The subconscious mind doesn't distinguish between *real versus vividly-imagined experiences*. You can use visualization and imagination to plant new goals or "memories" to guide your brain, build skills, and reshape your self-image.

- For example, under *hypnosis*, people can act in ways that defy their actual abilities because they believe the hypnotist's

KEY QUOTES

"The answer to aggression is not to eradicate it, but to understand it, and provide proper and appropriate channels for its expression."

"Trying to stand on the top of a pinnacle is insecure. Mentally, get down off your high horse and you will feel more secure."

"The person who is alienated from his real self has cut himself off from the basic and fundamental "contact" with life."

"If we wait until we are absolutely certain and sure before we act, we will never do anything."

"The person in whom the capacity to enjoy is dead can find enjoyment in nothing."

"A human being always acts and feels and performs in accordance with what he imagines to be true about himself and his environment."

"The power of hypnosis is the power of belief."

suggestions. A person with normal hearing may behave as if they were deaf, or a champion weightlifter might struggle to lift something as light as a pencil. In short, our imagination or belief can override our physical abilities.

By vividly visualizing specific goals or scenarios, you can program your brain to achieve them.

- The nervous system responds based on what the brain perceives—regardless of whether it's real. For instance, if you believe that a person in a bear costume is a real bear, your body will experience the same fear response as if it were facing a real threat. Through vivid visualization, you can create "*synthetic experiences*" to get your brain and body to respond as if your imagined goals are already happening.

- By using *mental rehearsals*, you can practice a behavior or skill without physical effort. In a famous experiment, basketball players who visualized free throws improved almost as much as those who practiced physically. Similarly, salespeople who mentally rehearsed their sales scenarios increased their sales performance by 150-400%.

- Many *successful leaders* also used visualization to achieve their goals. Napoleon visualized his military strategies before executing them, and business figures like Conrad Hilton and Henry Kaiser regularly imagined their successes before they materialized.

Daily visualization exercise. Set aside 5-30 minutes each day to vividly picture yourself achieving specific goals that align with your true self and potential.

- Focus on the *steps, emotions, and sensations* involved in reaching those goals. Or, focus on the person you wish to be, seeing how your ideal self thinks, feels, and behaves.

- Such exercises create *new "memories"* in your brain to cumulatively build a new self-image. After some time, you might find yourself spontaneously acting in line with those images.

KEY QUOTES

"We act, or fail to act, not because of 'will,' as is so commonly believed, but because of imagination."

"You act, and feel, not according to what things are really like, but according to the image your mind holds of what they are like."

"Hold a picture of yourself long and steadily enough in your mind's eye and you will be drawn toward it."
—Dr. Harry Emerson Fosdick

"Our aim is to find the real self, and to bring our mental images of ourselves more in line with the objects represented by our goals."

"You must first clearly see a thing in your mind before you can do it."
—Alex Morrison

Using Your Conscious Mind and Rational Thinking

Rational thinking is the process of analyzing situations logically and responding to them with clear, objective reasoning. It's key to manage our feelings so (i) emotional impulses like fear or frustration cannot derail our progress, and (ii) we can intentionally shape the thoughts and beliefs that drive the Creative Mechanism.

Many of us focus too much on past mistakes and the fear of failure.

- This drains our confidence and makes even small challenges seem overwhelming. Moreover, the Creative Mechanism responds to the data we feed it—if we focus on failure, it will lead us toward more failures. *Learn from your mistakes, then let go* and move forward, keeping your attention on past successes and future goals.

Rational thought helps us critically evaluate beliefs, so we can make decisions based on facts, not misconceptions or fears.

- Prescott Lecky emphasized *2 key beliefs for personal growth*: (i) that you are capable and independent, and (ii) that your inner dignity should never be compromised.

- Whenver you feel *inadequate or unworthy*, challenge yourself by asking: Is this belief based on facts, or is it an assumption?

Use emotions like anger, indignation, and desire to motivate yourself to break free from limiting beliefs and achieve success.

Once you've set clear goals and laid the groundwork, trust your automatic mechanism to handle the rest, rather than consciously trying to control every detail.

Using Your Subconscious Mind & Unleashing Creative Insight

The subconscious mind is a powerful tool for creative problem-solving.

- Often, our best insights come when we step away from the problem, and allow the subconscious mind to *"incubate" or connect ideas* without our conscious effort.

KEY QUOTES

"A person has to start in the present to acquire some maturity so that the future may be better than the past."

"The minute that we change our minds and stop giving power to the past, the past with its mistakes loses its power over us."

"Ideas are changed, not by "will," but by other ideas."

"Feelings are the soil that thoughts and ideas grow in."

"We get into trouble when we either neglect to use conscious thinking in the way that it is meant to be used, or when we attempt to use it in a way that it was never meant to be used."

"You must have a clear mental picture of the correct thing before you can do it successfully."

- For *example*, Charles Darwin's key idea for The Origin of Species emerged during a carriage ride, after months of analysis. Philosopher and author Bertrand Russell often worked intensely on a complex problem, then took a break and "passed" the issue to the subconscious mind to continue working on it.

Overthinking blocks this natural creative process. For example, a pianist who overanalyzes each note may struggle to play fluidly, and people who overthink social situations tend to come across as being stiff and unnatural.

Our conscious brain is good for analyzing problems, but creative problem-solving is best left to the subconscious mind. To unleash its full potential, use these 5 rules to incorporate relaxation and detachment into problem-solving.

- *Worry before, not after, making a decision*: Address risks and concerns beforehand, but once a decision is made, stop worrying and start engaging the task/problem fully.

- It's ok to plan for the future, but don't get lost in past or future concerns. Instead, *focus on the present*.

- *Do one thing at a time* to become calmer and more productive. Don't multitask.

- *Sleep on it*: When you're stuck, take a break and let your subconscious process the problem in the background. Thomas Edison often reviewed problems just before going to bed at night or before taking a nap, so his subconscious could work on solutions while he slept.

- *Stay relaxed while working*: Tension and stress block creativity. Consciously relax throughout the day to reduce stress and enhance creativity. Every hour or so, take a minute to release tension from your body and mind, and to consciously relax. Recall the feeling of your arms, legs, back, and face when you're completely at ease, and deepen the sense of calm by saying "I feel more and more relaxed."

KEY QUOTES

"We become nervous because we are trying to do the impossible, and thereby making futility and frustration inevitable."

"By relaxing, and maintaining a relaxed attitude, you remove those excessive states of concern, tension, and anxiety, which interfere with the efficient operation of your Creative Mechanism."

"Make long-range plans for tomorrow. But don't try to live in tomorrow, or in the past."

"The truth is: We can only do one thing at a time...When we work with this attitude, we are relaxed, we are free from the feelings of hurry and anxiety, and we are able to concentrate and think at our best."

Applying the Happiness Formula

Happiness is a mental state that brings many benefits, from better health to improved relationships and success. However, there are several common misconceptions that lead people astray:

- *Happiness is not a destination*: Many people think they'll be happy once they achieve certain goals or milestones. True happiness comes from within and can be accessed *right now*.

- *Happiness is not selfish*: True happiness often involves helping others. However, it's not about self-sacrifice, even though it feels good to be valued and needed by others.

- *Happiness is a habit*: It can be cultivated through daily practice, by consciously choosing positive thoughts and maintaining a positive outlook every day.

Happiness is an internal state shaped by our ideas, thoughts, and attitudes, not external circumstances. To cultivate happiness:

- *Own your happiness*. Don't give away your power by allowing others' opinions to dictate your happiness. When you're calm and at peace within, happiness becomes your natural state.

- *Live in the present* to foster inner peace. Don't dwell on past mistakes or worry about the future.

- Happiness can't be forced. Rather than strive for happiness, do the things that bring joy and fulfillment, and *allow happiness to come naturally* as a byproduct of a balanced, purposeful life.

- *Choose your response to negativity*: You can't avoid unpleasant events in life, but you can choose how to respond to them. Self-pity or resentment only worsens the situation. Instead, focus on a positive goal and actively pursue it.

- *Happiness is a choice*, so focus on positive thoughts regardless of what each day brings.

KEY QUOTES

"We think better, perform better, feel better, and are healthier when we are happy. Even our physical sense organs work better."

"Most people are about as happy as they make up their minds to be."
—Abraham Lincoln

"Happiness is purely internal. It is produced, not by objects, but by ideas, thoughts, and attitudes which can be developed and constructed by the individual's own activities, irrespective of the environment."
—Dr. Matthew N. Chappell

"The measure of mental health is the disposition to find good everywhere."
—Ralph Waldo Emerson

Releasing Inhibitions

True personality comes from within, as a reflection of your unique self. But for many people, it's hidden beneath layers of self-doubt, fear, and limiting beliefs.

- *Over-inhibition* is the suppression of natural impulses, often driven by fear of failure or self-criticism. We hold ourselves back, leading to missed opportunities and under-achievement, such as withholding ideas in meetings out of fear of judgment.

- *Self-criticism* can magnify minor mistakes to make them seem insurmountable. Stutterers, for instance, spoke more naturally when they couldn't hear their own voice (thereby removing self-critical feedback).

To unlock your true personality, become aware of your own thoughts, feelings and actions, without being excessively concerned about others' opinions.

- Ironically, you make the best impression when you *stop trying too hard*. When you express yourself authentically, you resonate more with others. But when you inhibit yourself due to fear or insecurity, you come across as inauthentic, which can be off-putting.

- *Don't overthink* public speaking or performances. Prepare thoroughly, then trust yourself to perform naturally and spontaneously.

Use these exercises to overcome inhibition:

- *Speak louder* in daily interactions, without shouting. This helps you to project confidence and express positive emotions freely.

- *Compliment 3 people* daily or express your appreciation. This reduces fear of judgment and builds positive connections.

- Reflect occasionally, but *don't scrutinize yourself every moment*.

KEY QUOTES

"When we overreact to negative feedback or criticism, we are likely to conclude that not only is our present course slightly off beam, or wrong, but that it is wrong for us to even want to go forward."

"Personality...is not so much something that is acquired from without, as something that is released from within."

"You become too careful to make a good impression, and in so doing choke off, restrain, inhibit your creative self and end up making a rather poor impression."

"The path to the goal is a course between too much inhibition and too little."

"The inhibited personality is as afraid of expressing "good" feelings as bad ones."

Breaking Free From Conditioned Responses

Often, we develop unhelpful habitual responses to certain stimuli. For example, we may reflexively answer a distracting phone call even when we're in the middle of an important task.

Use relaxation to break free from these conditioned responses:

- Studies found that full relaxation makes it impossible to feel negative emotions. It serves as an effective *mental shield* against habitual responses, to either ignore or delay your response to the stimuli.
- Think of it as a "spiritual thermostat" that regulates your reaction and *maintains emotional stability*. This helps you to handle any situation in a calm and composed way, instead of being controlled by your emotions.

One way to relax is by creating a quiet space in your mind that you can retreat to any time.

- Imagine a *serene room* designed with elements that bring you peace—such as simple furnishings, calm colors, or a calming view.
- Whenever you feel a negative emotion, or feel stressed or stuck, visualize yourself entering this space, relaxing, and *taking a mental break*.
- You can also use this space to *clear your mind* before starting on an important challenge or interaction, to prevent negative emotions from being carried from one event to another.

Thriving Under Crisis

Crises can either hold you back or help you to grow—depending on how you respond to it. To perform well in crisis, you need to:

- *Practice without pressure*: It's ineffective to learn under pressure. Repeatedly practice critical skills beforehand, in a calm and pressure-free setting, until they become automatic and will come to you naturally even in high-stress situations.

KEY QUOTES

"Today, more than ever, it's vital to address the bad habit of overresponse—to relax from doing—when we are assaulted by the stimuli of email, texts, and all manner of electronic communications."

"You are basically an 'actor'—not a 'reactor'."

"Men seek retreats for themselves: houses in the country, sea-shores and mountains...But...it is in thy power whenever thou shalt choose to retire into thyself."
—Marcus Aurelius

"The real problem is not to control emotion, but to control the choice of which tendency shall receive emotional reinforcement."
—Prescott Lecky

"The more intense the crisis situation under which you learn, the less you learn."

- A crisis can unleash hidden energy and abilities to propel you forward. During a crisis, *stay focused on your goals* so you can deliberately channel your energy toward creative solutions that support those goals (rather than succumb to fear or stress).

- *See the crisis in perspective*. Ask yourself, what's the worst thing that can happen? When you consider the implications calmly, you'll probably realize that things aren't as bad as they seem.

Conclusion and Other Details in the Book

Self-image is powerful, and it can be changed to positively impact all aspects of your life. Once your mind is tuned for success, you'll naturally experience a "winning feeling" that helps you to act with confidence and spontaneity. To build this winning feeling:

- *Start small and build up gradually*. Begin with manageable tasks, and let every small victory build confidence and momentum.

- *Replay successes*: Mentally revisit past success, even minor ones, to boost your confidence and set the stage for more wins.

- *Practice positive visualization*: Instead of worrying about failure, mentally rehearse successful outcomes to reinforce positive beliefs, build courage and confidence.

- *Manage negative emotions*: You can choose how to respond to negative feelings like fear and doubt—use them to fuel to progress, rather than let them paralyze you.

- *Rewrite your mental script*: Replace memories of past failures with present successes, and change how you interpret past events to build self-esteem and resilience.

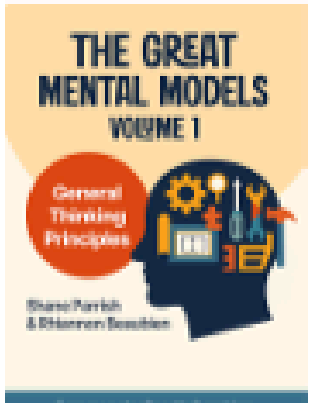
This book includes many other examples and studies of people who have successfully transformed their lives by applying the tools/tips above to change their self-image. For more details, please visit www.psycho-cybernetics.com.

KEY QUOTES

"If we can...react aggressively instead of negatively to threats and crises, the very situation itself can act as a stimulus to release untapped powers."

"Call up, capture, evoke the feeling of success. When you feel successful and self-confident, you will act successfully. When the feeling is strong, you can literally do no wrong."

"You are not 'inferior.' You are not 'superior.' You are simply 'You'....You are not 'supposed' to be like any other person and no other person is 'supposed' to be like you."



THE GREAT MENTAL MODELS, VOLUME 1

General Thinking Principles

Shane Parrish & Rhiannon Beaubien

The Big "So What"

The quality of your thinking shapes the quality of your life. In today's fast-moving world, those who think clearly hold an advantage. This book presents 9 proven thinking tools used by top leaders, scientists, and strategists to solve complex problems and navigate uncertainty. You too can use them to solve real-world problems more effectively.

What are Mental Models—And Why They Matter

Mental models are shortcuts we use to understand, decide, and act on real-world situations. Like lenses, they shape how we interpret reality and respond to it.

- Poor or outdated mental models lead to poor outcomes. Often, we fall into *3 predictable thinking traps*:

  (i) Limited perspective: we get stuck in our own viewpoint and miss the bigger picture.

  (ii) Ego: we cling to being "right," even when facts prove us wrong.

  (iii) Distance from consequences: we don't learn from our mistakes when we don't feel the real impact of our actions.

- To think better, we must overcome these cognitive flaws—by *adopting better models*. The best thinkers don't just use one framework. They draw from a network of ideas across disciplines (like physics, biology, psychology, and economics), choosing the right model for the right situation, and updating their thinking over time.

KEY QUOTES

"In life and business, the person with the fewest blind spots wins."

"The quality of your thinking depends on the models that are in your head."

"Mental models describe the way the world works. They shape how we think, how we understand, and how we form beliefs."

"Thinking better isn't about being a genius. It is about the processes we use to uncover reality and the choices we make once we do."

"When you learn to see the world as it is, and not as you want it to be, everything changes. The solution to any problem becomes more apparent when you can view it through more than one lens."

This book is the first in a **multi-volume series** by Shane Parrish and Rhiannon Beaubien.

- The authors distill timeless insights from various disciplines into *mental models and practical tools* that anyone can use to avoid common thinking traps, learn faster and make smarter choices.
- In this summary, we'll explore *9 essential models for general thinking*, followed by 3 supporting concepts to help you think more clearly across all areas of life.

The 9 Fundamental Thinking Concepts

Mental Model 1: Reality > Model

Models are simplifications, not reality. Use them wisely, without mistaking them for the truth.

Every day, we use maps, models and frameworks to make sense of the world, from city layouts to business frameworks. **Models simplify reality**, allowing us to navigate complexity, make predictions and take action.

However, **all models are imperfect**. Their usefulness lies in their ability to help us understand and respond more effectively to the world around us, but they cannot capture reality perfectly.

KEY QUOTES

"I believe in the discipline of mastering the best of what other people have figured out." – Charlie Munger

"This book is about the pursuit of...wisdom, the pursuit of uncovering how things work, the pursuit of going to bed smarter than when we woke up."

"All models are wrong; the practical question is how wrong do they have to be to not be useful."
—George Box

- Philosopher Alfred Korzybski used the phrase "*the map is not the territory*" to emphasize that a model may resemble the structure of reality but never fully capture it.
    - For example, maps are designed to simplify reality, often omitting variables or distorting scale. A subway map for passengers will be useless to train operators or someone trying to navigate above-ground. A map that included everything would be too complex to use.
- *Newtonian physics* was used for centuries to predict how objects move, but it broke down when applied to things like light or gravity on cosmic scales. That's where Einstein's theory of relativity offered more accurate predictions.
- Garrett Hardin's "*Tragedy of the Commons*" says that shared resources are always overused when individuals act selfishly. This was a widely accepted model in social sciences, until Elinor Ostrom later showed how communities can successfully manage shared resources, i.e. the original model didn't apply universally.

We run into problems when we **confuse models with reality**, cling to outdated models, or treat abstract frameworks as universal truths. This leads us to make critical mistakes, or miss emerging risks and opportunities. If your GPS tells you to drive off a cliff, it's up to you to check reality instead of trusting it blindly.

Use models to guide your decisions, without following them rigidly. Apply these **3 principles to use models more effectively**:

- Always *test models against real-world outcomes*, and update your model as reality changes. For example, Frederick Taylor's "scientific management" model was effective in factories, but it fails in today's knowledge economy, where autonomy, learning, and purpose matter more.
- *Consider who made the model and why*. Every map reflects the values and assumptions of its creator, and omits things for a reason. Colonial maps, for instance, often prioritized political control over cultural accuracy.
- *Watch how models shape behavior*. When we follow maps or models too literally, we can create unintended outcomes —often for the worse. For example, urban planners once

KEY QUOTES

"Territories change, sometimes faster than the maps and models that describe them."

"The description of the thing is not the thing itself. The model is not reality. The abstraction is not the abstracted."

"The map appears to us more real than the land."
— D.H. Lawrence

"When we mistake the map for reality, we start to think we have all the answers."

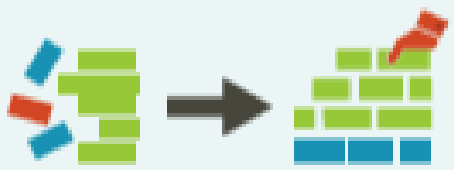
"Maps are useful to the extent they are explanatory and predictive."

"If reality has changed the map must change."

"Maps are not purely objective creations. They reflect the values, standards, and limitations of their creators."

- *Talk to a "Lifer"* or an expert inside the domain. Find out how they think, not just what to do.
    - However, beware of vested interests when seeking advice, especially from people whose income or success depends on the decision you make. Always ask: What does this person stand to gain?
- Use *general thinking models* (like inversion or second-order thinking) to reason through unfamiliar territory and make better choices.
- Take *Queen Elizabeth I*, for example. When she first took the throne, she recognized her inexperience. So, she built a trusted council of advisors, used their inputs to guide her decisions, and laid the foundation for a long and stable reign.

Mental Model 3: Think From the Ground Up



Break things down to basics. Then rebuild ground up from First Principles.

Don't just copy what works or tweak what already exists. Instead, **break things down into First Principles** (i.e. foundational truths in a specific context) then build up from there.

- In physics, that might be thermodynamic laws. In food, it might be asking "What makes something 'meat'—is it the fact that it comes from an animal—or the taste, texture, and nutritional makeup we associate with it?"

Use **2 methods to uncover first principles**:

- Challenge assumptions through *Socratic questioning* or structured inquiry. Start by clarifying your position, e.g. "What do I think and why?" Then, probe deeper:
    - What assumptions am I making?
    - What's the evidence for this belief?
    - Are there alternative explanations?
    - What are the implications if I'm wrong?

KEY QUOTES

"Whenever we are getting advice, it is from a person whose set of incentives is not the same as ours."

"Ignorance more often begets confidence than knowledge."
— Charles Darwin

"First principles thinking is one of the best ways to reverse-engineer complicated situations and unleash creative possibility."

"Everything that is not a law of nature is just a shared belief. Money is a shared belief. So is a border. So are bitcoin. So is love."

"If we never learn to take something apart, test our assumptions about it, and reconstruct it, we end up bound by what other people tell us—trapped in the way things have always been done."

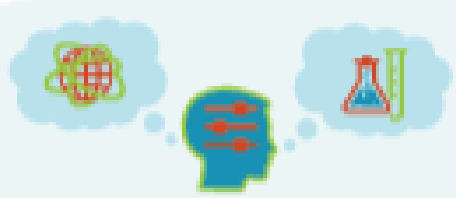
- *The Five Whys*: Start with an issue and ask "Why is this happening?" Repeat the question 5 times or until you land on a root cause (expressed as a "what" or "how").
    - Example: A product fails. Why? → The battery overheated. Why? → A component failed... and so on, until you uncover a design flaw or neglected test.

In other words, don't just copy what works; **understand why it works** so you're no longer limited by how things have always been done.

- For decades, doctors believed the stomach was sterile, until Robin Warren and Barry Marshall challenged the assumption—and discovered that *stomach ulcers* were caused by bacteria. This overturned decades of misdiagnosis and ineffective treatments, transforming how ulcers are now treated.

- Most *slaughterhouses* used straight chutes simply because that's how it had always been done. Temple Grandin challenged this by studying animal behavior and identifying a first principle: reducing stress is key to moving cattle humanely and efficiently. This led to innovations like curved chutes that blocked visual distractions, though any design would work as long as it addressed the underlying principle of stress reduction.

Mental Model 4: Test It In Your Mind



When you can't test something in real life, simulate it mentally.

Some ideas or decisions are too costly, risky, or complex to test in the real world. That's where **thought experiments** come in. By simulating possibilities in our minds, we can tweak the variables and examine possible outcomes to stretch our thinking and make smarter choices.

- A good thought experiment is *structured and intentional*:

    (i) Ask a clear, focused question.

    (ii) Do background research to understand the context.

KEY QUOTES

"Science is much more than a body of knowledge. It is a way of thinking."
— Carl Sagan

"If you know the first principles of something, you can build the rest of your knowledge around them to produce something new."

"As to methods, there may be a million and then some, but principles are few."
— Harrington Emerson

"You can change the tactics if you know the principles."

"A detailed thought experiment...lets us do things in our heads we cannot do in real life, and so explore situations from more angles than we can physically examine and test for."

"Thought experiments are more than daydreaming. They require the same rigor as a traditional experiment in order to be useful."

(iii) Form a hypothesis: What do you expect to happen?

(iv) Run the scenario mentally, tweaking key variables to explore different outcomes.

(v) Analyze the outcomes, and refine your conclusion or assumptions before taking action.

Thought experiments are **especially useful in 3 situations**:

- *Simulating physical scenarios* that can't be recreated in a lab. When developing his theory of relativity, Albert Einstein imagined being in a sealed elevator in space. Would he feel a force pulling him down (gravity) or pushing him up (acceleration)? Since both felt identical from inside the elevator, he concluded the effects were equivalent—an insight that became the foundation of general relativity.

- *Re-imagine history* by exploring "what might have happened" if certain factors were changed. For instance, the assassination of Archduke Franz Ferdinand was considered a key event that triggered World War I. Without it, would the war still have happened? By researching and imagining how other variables might have played out differently, we gain a better understanding of the relative impact of each factor.

  - However, remember that in complex systems like history, small changes can lead to drastically different outcomes.

- *Testing whether our gut-intuition is robust*. Philosopher John Rawls proposed a thought experiment to design a fair society: Imagine you don't know your future position in that society—whether you'd be rich or poor, powerful or powerless. Would you still choose the same rules? This "veil of ignorance" strips away self-interest and reveals what fairness really looks like.

KEY QUOTES

"One of the real powers of the thought experiment is that there is no limit to the number of times you can change a variable to see if it influences the outcome."

"A small change in the past could have a massive, unpredictable effect on the future."

"Thought experiments tell you about the limits of what you know and the limits of what you should attempt."

Mental Model 5: Consider Ripple Effects

Look beyond immediate steps. Consider the ripple effects and what those ripple effects might cause in turn.

People tend to focus on the obvious, immediate outcome of an action (first-order effect). But every action has **additional consequences (second-order and beyond)** that are more impactful in the long run.

- *First-order thinking* is linear and short-term: "If I eat this candy, I'll enjoy it."
- *Second-order thinking* looks long-term: "If I keep eating candy every day, what will my health look like in 10 years?"
  - It goes beyond surface-level thinking to examine (i) short-term wins vs long-term costs, (ii) unintended side effects and (iii) chain reactions that affect other systems, trigger new problems or tradeoffs.
  - This is crucial when dealing with complex systems like markets, ecosystems, organizations, or relationships, where everything is interconnected.

Second-order thinking is **especially useful for 2 things**:

- *Weighing short-term vs long-term consequences*, to avoid creating long-term pains just for short-term gratification. For example, antibiotics have been added to livestock feed for years to prevent disease and to accelerate growth. This makes meat cheaper and production more efficient (first-order benefits). But over time, it also led to the rise of antibiotic-resistant bacteria—a second-order effect that now threatens human health.
- *Make better arguments* by thinking ahead. Rather than arguing only for women's rights on moral grounds, philosopher Mary Wollstonecraft addressed second-order benefits, arguing that educating women would lead to stronger families and a better-functioning society.

KEY QUOTES

"You can never merely do one thing."
—Garrett Hardin

"We must ask ourselves the critical question: And then what?"

"Second-order thinking involves asking ourselves if what we are doing now is going to get us the results we want."

"We operate in a world of multiple, overlapping connections, like a web, with many significant, yet obscure and unpredictable, relationships."

"Maximizing benefits is something that happens over time."

"A little time spent thinking ahead can save us massive amounts of time later."

"We don't make decisions in a vacuum and we can't get something for nothing."

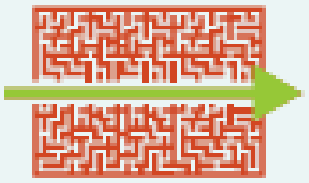
- *Marie Van Brittan Brown* felt unsafe at home. Rather than adding more locks, she asked: What would make me feel safe before opening the door? Her answer led to the invention of the home CCTV system, laying the groundwork for modern home security.

Inversion is especially powerful when you **feel stuck or lost**.

- *Define what you want to avoid*, then eliminate the conditions that would cause it—like how John Bogle created the index fund by seeking to avoid investment losses.

- If success seems impossible, ask "What must be true for it to happen?" or *start with an assumption*. When Sherlock Holmes needed to find a hidden object, he assumed "If she truly values it, she'll try to protect it during an emergency." He then staged a fake fire—and observed where the person instinctively went, revealing the object's location without a direct search.

Mental Model 8: Start with the Simplest Explanation



When in doubt, start with the simplest explanation (with fewest assumptions) that fits the facts.

Occam's Razor reminds us to start with the simplest explanation—one that makes the fewest assumptions. More assumptions means higher risks of being wrong.

- Simple models are *easier to understand, test, adjust*, and they're more robust in fast-moving or uncertain environments. That's because every layer of complexity or moving part introduces potential points of failure.

- *Cut away what doesn't matter* to help you see what does:

  - In *medicine*, doctors use this model to start with the most likely diagnosis. If a patient shows flu-like symptoms, the simplest explanation is the flu—not Ebola.

  - When *IBM* was in crisis during the early 1990s, CEO Louis Gerstner rejected calls for a grand vision. Instead, he focused on simple, tough-minded execution: serving existing customers and building profitable businesses. This saved the company without any complicated overhauls.

KEY QUOTES

"Simply invert, always invert, when you are stuck. If you take the results of your inversion seriously, you might make a great deal of progress on solving your problems."

"The simplest explanation is almost certainly the correct one."

"We should prefer the simplest explanation with the fewest moving parts. They are easier to falsify, easier to understand, and generally more likely to be correct."

"When you hear hoofbeats, think horses, not zebras."
— A medical saying

"The last thing IBM needs right now is a vision."
—Louis Gerstner

Obviously, some truths are more complex. The key is to **start simple, then add complexity when needed** and justified by evidence.

Mental Model 9: Assume Positive Intent

Don't assume ill intent when ignorance or incompetence will do.

Hanlon's Razor reminds us not to jump to conclusion about people's intentions, as it can lead to conflict and misjudgment.

- In an experiment, people were told that "Linda is outspoken and deeply concerned with social justice." Most people incorrectly judged it more likely that she was both a feminist and a bank teller, even though logically, she had to be more likely to be a bank teller alone. This shows how we can *make illogical assumptions* about intention and identity.
- When things go wrong, don't assume it's due to malice. More often, it's due to *carelessness, ignorance, or flawed systems*. If someone spills a drink on you at a party, it's more likely to be an accident than an intentional attempt to ruin your night.

Real malice does exist. But in most situations, **assuming positive intent** helps us to stay calm, prevent paranoia, avoid unnecessary conflict, and make better decisions—especially when misjudging intent can cause more harm than the mistake itself. For example:

- In 1962, Soviet officer Vasili Arkhipov was aboard a submarine during the *Cuban Missile Crisis*. When the Americans dropped depth charges, the crew assumed they were under attack. The captain wanted to retaliate with a nuclear torpedo. But Arkhipov stayed calm and insisted on surfacing and contacting Moscow—a decision that prevented a nuclear war.
- In 408 AD, Roman emperor Honorius misjudged his loyal general Stilicho and had him executed, believing he was conspiring against him. This fatal error left the Western *Roman Empire* without its most capable defender—and it soon collapsed.

KEY QUOTES

"Anybody can make the simple complicated. Creativity is making the complicated simple."
—Charles Mingus

"We should not attribute to malice that which is more easily explained by stupidity."

"If we present the evidence in a certain light, the brain malfunctions. It doesn't weigh out the variables in a rational way."

"There are fewer true villains than you might suppose...all humans make mistakes and fall into traps of laziness, bad thinking, and bad incentives."

"Most people doing wrong are not bad people trying to be malicious....Always assuming malice puts you at the center of everyone else's world. This is an incredibly self-centered approach to life."

"When we assume someone is out to get us...[it] tends to reduce our vision to dealing with the perceived threat instead of examining the bigger picture."

3 Supporting Ideas for Better Reasoning

Falsifiability: To be scientific, a theory must be testable, i.e. it can be disproved by statements like "If X happens, theory Y is false." Otherwise, it's just a belief or an opinion.

- For instance, *Freudian psychology* is hard to prove or disprove, since it can explain any outcome after the fact.
- In contrast, *evolution by natural selection* makes claims that are specific and testable. For example, if traits harmful to survival routinely spread through populations, it would falsify the theory of natural selection. Repeated testing continues to support the theory so far.

Necessary ≠ Enough: Don't confuse necessity with sufficiency. Necessary conditions are what you must have to succeed, but they don't guarantee success. For example, skill and effort might be necessary for success, but they're rarely sufficient. Other factors (like timing, competition, or luck) also play a role.

Causation vs. Correlation: Just because two things occur together doesn't mean one causes the other.

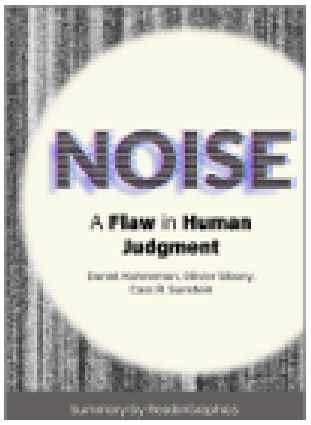
- *Correlation does not imply causation*. For example, a study might show that children of heavy drinkers perform worse in school. But does drinking cause poor grades? Does stress from a child's struggles cause parents to drink more? Or are other factors responsible?
- Understand the *strength and direction of correlation* to avoid overgeneralizing or misapplying data:
  - *Perfect correlation (1)*: This means they measure the same thing in different units (e.g. Celsius and Fahrenheit).
  - *Zero (0) correlation*, e.g. bottled water consumption and suicide rates have no relation.
  - *Weak/moderate correlation (e.g. 0.3)*: Height and weight correlate somewhat, but other factors matter too.

KEY QUOTES

"Extraordinary claims require extraordinary proof."
—Carl Sagan

"The set of conditions necessary to become successful is a part of the set that is sufficient to become successful. But the sufficient set itself is far larger than the necessary set."

"We notice two things happening at the same time (correlation) and mistakenly conclude that one causes the other (causation)."



NOISE

A Flaw in Human Judgment

Daniel Kahneman, Olivier Sibony, Cass R. Sunstein

The Big "So What"

This book explores the concept of noise—an error of judgment that affects human decisions. The authors explain what is noise, how it affects decisions at all levels, and how we can mitigate noise to improve the efficiency, consistency and fairness of our decisions and systems. The ideas are relevant for decision-makers in all walks of life (e.g. executives, professionals, policy-makers), and anyone who's interested in learning about psychology, behavioral economics, and organizational behavior.

What is Noise and Why It Matters

Human judgments (e.g. forecasts, performance evaluations) are inconsistent and inaccurate. Given the same context and information, different people will make different judgments or decisions. Such inconsistencies come from noise and bias.

- *Noise* refers to the *random variability and inconsistencies* in judgment which lead people to evaluate the same information differently. It includes:

  (i) In-person variability which occurs when the same person judges something differently under different circumstances.

  (ii) Between-person variability which occurs when different people judge the same case differently.

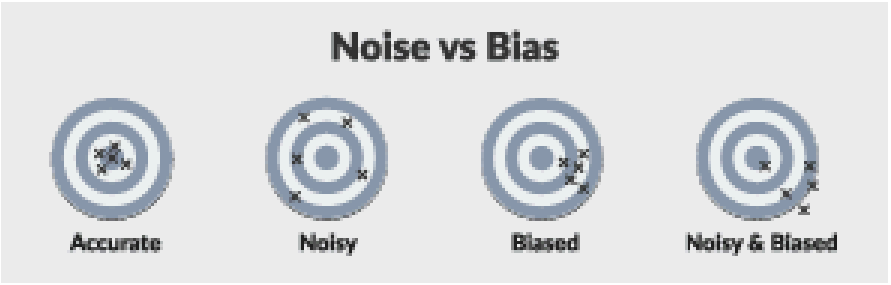
  For example, 5 managers may evaluate the same business proposal differently. The same manager may even evaluate the same proposal differently on different days depending on his/her mood or focus.

KEY QUOTES

"System noise [is] unwanted variability in judgments that should ideally be identical."

"We do not always produce identical judgments when faced with the same facts on two occasions."

- *Biases* refer to the systematic errors in thinking that consistently skew judgments in a certain direction. For example, all 5 managers in a company may evaluate a business proposal too optimistically because of an optimism bias.



Both noise and bias contribute to flawed decision-making, yet relatively little attention has been paid to noise compared to biases.

- In this book, the authors show how noise can lead to inconsistencies, unfairness, and inefficiency. They also recommend solutions for reducing noise and improving the quality of our decisions. In this summary, we'll explain noise and its implications, before moving into solutions for noise.

KEY QUOTES

"Wherever you look at human judgments, you are likely to find noise. To improve the quality of our judgments, we need to overcome noise as well as bias."

Understanding Noise

Noise Exists Everywhere

Noise exists in any situation that involves human judgments—from legal systems to medicine, financial markets, and hiring practices. For example, we expect the criminal justice system to be fair and consistent, when it's actually very noisy. A criminal can get a drastically different sentence depending who's the judge presiding over the case, or even the judge's mood that day. In the USA, the prison term for extortion ranges from 3-20 years, while the term for fraud ranges from 8.5 years to life imprisonment.

"Wherever there is judgment, there is noise—and more of it than you think."

Noise exists even if it can't be detected or measured.

- *Recurrent decisions* are made repeatedly, and you can identify the extent/impact of noise though a "noise audit". For example, underwriters quote insurance premiums based on their clients' health situation. To assess the inconsistencies in quotations, an insurance company assigned 5 realistic

"Our inability to observe variability [does] not make the decision less noisy."

client cases to different groups of underwriters. They found a median difference of 55%, which meant that the same client may be quoted $9,500 or $16,700 depending on which underwriter was assigned to the case. The variations were estimated to cost the company hundreds of millions of dollars. If the quotes were too high, the company could lose a potential client. If the quotes were too low, the company could lose money from large amounts of insurance claims.

- *Singular decisions* are one-off decisions for unique problems. We can't measure noise in such cases, e.g. you cannot compare 2 presidents' decisions to go to war because the circumstances are different. Yet, the same factors that cause noise in recurrent decisions also exist in singular decisions. So, it stands to reason that noise exists in singular decisions even if you can't measure it. The strategies that reduce noise in recurrent decisions should also improve the quality of singular decisions.

System noise—the unwanted variability within a system of judgments—is a problem because the goal of judgments is to be accurate, not to express personal preferences.

- *Variability isn't always bad*. For instance, it's fine for people to have different opinions about movies or wine. It's also helpful to explore diverse viewpoints for complex issues like economic forecasts or developing a new vaccine.

- However, *system noise is always unwanted* because it means inconsistencies in areas like criminal sentences, product service quality, or employee performance. You don't want a different sentence depending on the judge for a court case, nor a different diagnosis depending on the doctor you consult. Yet, noise is tolerated because we often don't even realize that it exists.

Evaluating Judgments and Measuring Noise

Judgments can be predictive or evaluative.

- A *predictive judgment* involves an objective value that you can compare your judgment with. But, not all predictive judgments are verifiable. You can verify a forecast of tomorrow's average temperature in London, but you can't

KEY QUOTES

"We cannot measure noise in a singular decision, but if we think counterfactually, we know for sure that noise is there."

"System noise is inconsistency, and inconsistency damages the credibility of the system."

verify a forecast of Earth's average temperature 1000 years from now. There are 2 measures typically used in predictions:

(i) The *percent concordant (PC)* shows how well a prediction covaries with actual results. A perfect prediction has a PC of 100%.

(ii) The *correlation coefficient (r)* is the percentage of shared determinants between 2 variables, and it ranges from -1 to 1. For example, if a physical trait is purely genetic, then we'll expect a 0.25 correlation in that trait between cousins with 25% common genes.

- An *evaluative judgment* (e.g. criminal judgments or ice-staking competitions) doesn't involve a value that you can validate. Good evaluative judgments should reflect the principles, standards, or values of an entire system, not individual beliefs.

Judgments can be evaluated based on their outcomes or processes.

- You can look at the *outcome* of a prediction to see how accurate it is. However, you can only evaluate a forecaster's accuracy over a large number of forecasts (not just a single forecast). Moreover, not all outcomes are verifiable. For example, if you didn't hire a candidate, you won't know if he/she could have succeeded in the role.

- Another way is to look at the *process*. Often, you can tell if a judgment is done properly just by looking at the process. This works for both verifiable and unverifiable judgments.

Every judgment involves some form of measurement. For example, judges measure the severity of a crime on a mental scale, while underwriters assign a dollar value to the risk of insuring someone. The best way to measure noise is by using standard deviation, which shows how much a judgment has deviated from the mean value. The Mean Squared Error (MSE) is widely used to evaluate the performance of predictive models and forecasts.

$$\text{Overall Error (MSE)} = \text{Bias}^2 + \text{Noise}^2$$

- A higher MSE means greater variability or inconsistency, whereas a lower MSE means greater accuracy or consistency. *Reducing either noise or bias* will reduce the overall error in judgment.

KEY QUOTES

"Reducing noise in predictive judgment is always useful, regardless of what you know about bias."

"Once noise is measured...it is often possible to reduce it."

- In noisy systems, *errors add up*; they don't cancel out one another. For example, an overpriced insurance premium doesn't compensate for an underpriced premium since they are for different clients.

There are 2 main components of system noise:

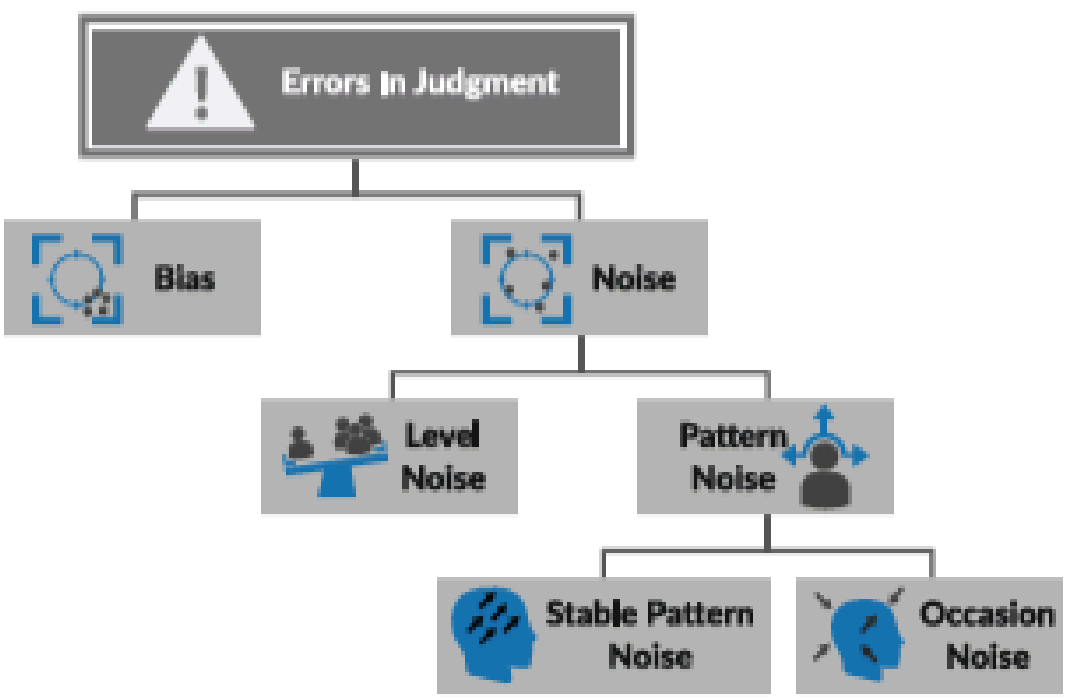
$$\text{System Noise}^2 = \text{Level Noise}^2 + \text{Pattern Noise}^2$$

- *Level noise* occurs when a 1 person's judgments consistently differ from the average person's, e.g. some judges are generally more lenient than others.

- *Pattern noise* occurs when 1 person is consistently affected by specific factors, e.g. a judge is generally more lenient toward older criminals. It includes stable pattern noise and occasion noise.

  (i) *Stable pattern noise* comes from our internal beliefs, biases, values, or knowledge/experiences. We may weigh some factors more heavily than others, or react positively/negatively to specific cues. Such patterns are relatively stable, though they're hard to predict.

  (ii) *Occasion noise* refers to random errors that affect your judgment, such as your mood, weather, state of mind, or how the information is presented. For example, one study found that college admissions officers weighed academic credentials more heavily on cloudy days, and weighed non-academic factors more heavily on sunny days. Occasion noise can only be measured with large-enough samples that statistically show the effects of occasion-related factors.



KEY QUOTES

"No one is exactly like you... your stable pattern errors are unique to you."

"You are not always the same person, and you are less consistent over time than you think."

- In several studies, stable pattern noise was found to be the biggest component of noise, followed by level noise, then occasion noise. Such findings are far from conclusive, but they can help us to think about *how to reduce noise*.

Sources of Noise and Strategies for Noise Reduction

Where Does Noise Come From?

The components of noise (level noise, pattern noise, occasion noise) can be understood from a psychological perspective.

In the book *Thinking, Fast and Slow*, Daniel Kahneman explains how the brain uses mental shortcuts or heuristics to think rapidly and intuitively.

- However, this leads to *psychological biases*, including:

(i) *Substitution bias*: We unknowingly substitute a difficult question (e.g. "Do you think this company will be successful in 5 years?") with a simpler or more accession question (e.g. "Do I like this company's products?"). Or, you may answer the question "How satisfied are you with your life in general?" by considering your mood now and neglecting other factors.

(ii) *Conclusion bias*: We may bypass or distort evidence because we're already inclined toward a certain outcome/ conclusion.

(iii) *Halo effect*: Our judgment is influenced disproportionately by our initial impressions, e.g. you form a different impression if someone is described as "smart, persistent, sly, unprincipled" versus "sly, unprincipled, smart, persistent".

Psychological biases reduce our quality of judgments because they create *statistical bias* when the biases are widely shared, as well as *system noise* when individuals show different types/levels of biases.

- Another mental shortcut is "*matching*". For example, we may predict the chance of rain by looking at how cloudy the sky is,

KEY QUOTES

"Whether they cause statistical bias or noise...psychological biases always create error."

or predict how smart a kid is by looking at how much he/she reads. We also match intensities across different scales, e.g. comparing our love for music with the height of a skyscraper. Matching creates noise and errors because:

(i) We make predictions using available info, even if the variables have *weak or non-existent correlations*. For example, how much a person reads is a poor predictor of how smart he/she is.

(ii) We make *erroneous connections*, e.g. matching the traits "smart, meticulous, and unadventurous" to our stereotypical view of an accountant, when the same traits can also describe a sports athlete.

(iii) We fail to consider *missing or conflicting cues* in complex problems, or we substitute them with simpler/accessible ones.

- Our brains can only discern up to 7 categories or match up to 7 values on an intensity scale (unless those categories are already well-established in advance). So, it's easier for us to make *comparative judgments* than absolute or categorical ones. For example, it's hard to rate 100 songs on a scale of 1-20. It's much easier to group them into 5 comparative categories from best to worst, then rate the songs within each category.

Noise also arises from the scales we use for making judgments. Different people use the scales differently:

- Words on the scale (e.g. "reasonable" or "excellent") may be *interpreted differently* by different people. We may also perceive the numerical values differently (e.g. 1 person may rate "good" as "3" while another rates it as "4").

- Judgments (like how severely a crime should be punished) may be driven by *emotions*, not facts.

- Judgments are the noisiest when people must *assign numbers arbitrarily*, e.g. when jury members must decide on the amount of damages for a crime without any context on what a fair amount may be. Once they conjure a figure, this creates an "anchor" that affects all their subsequent judgments.

Often, we feel overconfident about our judgments even when they're sub-optimal.

KEY QUOTES

"Comparative or relative judgments are more sensitive than categorical or absolute ones."

"Confidence is no guarantee of accuracy...and many confident predictions turn out to be wrong."

- *Objective ignorance* occurs when we're unaware that we lack information which affects the quality of our decisions. We feel confident about our judgments so long as our story seems "comprehensively coherent", i.e. all the details seem to fit (or we can ignore or justify things that don't fit) and there doesn't seem to be other viable explanations.

- When this happens, we get an *internal sense of completion*, and may even believe that others share our conclusions. Even if the judgment is wrong, the sense of false confidence is emotionally-rewarding.

- Most people naturally adopt *causal thinking*: we come up with stories about the cause-and-effect relationships between variables to explain what happened. This creates an *illusion of understanding*, i.e. we think we know what happened, and wrongly assume that we can predict similar events in the future. For example, we may conclude that someone succeeded because of his brilliant leadership, but fail to consider many other factors leading to his success.

- Noise becomes visible only when we adopt *statistical thinking*: to aggregate and analyze large amounts of data from multiple perspectives to work out patterns, correlations, differences, probabilities, etc. For example, to understand why a leader succeeded, you examine the predictors across many cases, then use statistical probability to identify possible root cause(s).

Causal thinking leads us to confuse causation and correlation.

- *Correlation* measures the degree to which changes in 1 variable are associated with changes in another variable. *Causation* refers to the cause-and-effect relationship between 2 variables, i.e. changes in 1 variable will cause changes in the other variable.

- Correlation doesn't imply causation, but *causation always implies correlation*. For example, there's a correlation between large feet and higher mathematical skills because both increase with age. However, you can't predict that someone will have higher mathematical skills because he has large feet, because there's no causal link between the two.

- You can make accurate predictions only if you understand the entire *causal chain* leading up to something. So long as there's

KEY QUOTES

"Objective ignorance sets a ceiling not only on our predictions but also on our understanding."

"The denial of ignorance is all the more tempting when ignorance is vast."

"Life is often more complex than the stories we like to tell about it."

"Causally, noise is nowhere; statistically, it is everywhere."

"Wherever there is causality, there is correlation."

"Causal thinking and the illusion of understanding the past contribute to over-confident predictions of the future."

an imperfect correlation (which is almost always the case), there's objective ignorance at play. Such errors in judgment are amplified for long-term predictions where there're exponentially more unknown factors involved.

Groups can amplify noise. Group decisions are affected by many seemingly-inconsequential factors, such as: seating arrangements, who speaks first, the speaker's body language, etc.

- Group judgments are so noisy due to *several factors*:

  (i) *Information cascades*: people often follow others' opinions without evaluating the information independently. So, the initial opinion of 1 group member can set the tone for the entire group.

  (ii) This is amplified by *social pressure*, when people agree with others to avoid seeming stupid or uncooperative.

  (iii) *Group polarization* refers to the phenomenon where someone's opinion becomes more extreme after discussing it in a group. When juries deliberate their decision, they end up with a more extreme judgment than those held by individual jury members. If the median member was lenient, the entire jury became more lenient. When the median member was severe, the entire jury became more severe.

- Group settings are only beneficial when all the group members share *independent answers*. You can then aggregate and average the answers to reach a more accurate and less noisy judgment.

How to Reduce Noise

Start with a noise audit to understand the extent and impact of noise in your system. Simply assign the same problem to different people, compare their answers to measure the amount of variability in the judgments, and do a cost-benefit analysis to decide if the system noise is worth addressing.

Choose good judges with intelligence, experience/expertise and the right mindset. Above all else, ensure that the judges are *actively open-minded*, i.e. they actively seek out information to learn, test their hypotheses, and challenge their old beliefs.

KEY QUOTES

"Social influences are a problem because they reduce group diversity without diminishing the collective error."

"If group members are listening to one another, they will shift in the direction of the dominant tendency, rendering the group more unified, more confident, and more extreme."

"Aggregation can only reduce noise if judgments are truly independent."

"Good judgments depend on what you know, how well you think, and how you think."

(ii) You can also select a handful of the *best judges* based on the accuracy of their recent judgments, then take an average of their predictions. You can even add monetary incentives for the most accurate forecasts.

(iii) The *Delphi method* is a multi-round process that combines aggregation and social learning. Through a moderator, people anonymously share their estimates and the reasons for them, then adjust their estimates for each round until the numbers converge into an aggregate score.

(iv) The *estimate-talk-estimate method* simplifies the Delphi method into just 2 rounds. The aggregate is calculated by averaging the 2nd round of predictions.

- Improve group judgments by getting members to come up with *independent answers* before aggregating them.

- Formulas—regardless of whether they are randomly-generated, modelled after people, or modelled after reality—will always outperform human experts in predictive judgments. *Mechanical methods and algorithms* have been found to be more accurate, faster and cheaper than human judgments, because they apply the same rules and weightage consistently to reduce noise.

  - Often, we make decisions intuitively after doing a quick mental calculation of the scores for each criteria. This is known as *clinical judgment*, and it's full of noise. For example, we may mentally assign different weightage to the same criteria at different times, and/or consider irrelevant factors unknowingly.

  - *Mechanical judgments* capture decision-making rules using statistical models or artificial intelligence. They may use multiple regression models (which assign optimal weights to specific predictors), equal weights models (which assign equal weights to all predictors), or frugal models (which use simple rules with a small set of strong, correlated predictors). They may also use artificial intelligence and machine learning to handle huge amounts of data, numerous predictors, and complex patterns beyond the capabilities of the human mind.

The mediating assessment protocol integrates many of the decision hygiene strategies above. It can be used/adapted by any organization to reduce noise in decisions. The key steps are:

KEY QUOTES

"Simple rules that are merely sensible typically do better than human judgment."

"Reducing noise mechanically increases the validity of predictive judgment."

"What AI does involves no magic and no understanding; it is mere pattern finding."

- Break down the decision into a set of pre-determined *criteria or mediating assessments*.

  (i) Get people to come up with a list of criteria independently before discussing them. Agree on the criteria and how to measure/assess them. Incorporate outside views where possible (e.g. getting a 2nd opinion by experts).

  (ii) Ideally, develop a scale with a clear frame-of-reference: give clear descriptions and case-study videos for each rating, so raters have a clear baseline for comparative judgments.

- Use the same criteria/assessments to *analyze recurring decisions*.

  (i) For each case, get people to review problems separately, then, use the estimate-talk-estimate method to share and discuss their inputs.

  (ii) By now, the decision-makers all have detailed, relevant info. Calculate and share the average ratings for each criteria, then make a final decision as a team.

KEY QUOTES

Noise Reduction in Real Life

The noise-reduction strategies above can be used to improve all types of judgments. Here are 3 examples of real-life applications.

Forecasts (e.g. sales or project costs/durations) affect all sorts of organizational decisions. To get a more accurate forecast, you can: (i) select good judges who're strong individually and complement one another, (ii) train them to identify/avoid biases, and (iii) get them to make their forecasts independently before aggregating them.

Medicine. There's a huge amount of noise in medical diagnoses and treatments due to factors like stress/fatigue, lack of skills, and a lack of clear guidelines/processes, etc. To reduce noise, you can:

- Use selection and training to increase skill levels;
- Aggregate judgments, e.g. getting a 2nd expert opinion;

- Use algorithms to help with diagnosis and treatment identification; and

- Develop diagnostic guidelines to reduce variations in human judgment. For example, the Apgar score uses 5 criteria (skin color, heart rate, reflexes, muscle tone, and respiratory effort) to help medical professionals assess if a newborn baby is in distress.

The employee hiring process is meant to help organizations select candidates who're likely to perform well in their roles. Yet, most companies use unstructured interviews which are practically useless in identifying good candidates. The solution is to switch to a more structured process:

- Break down the hiring decision into component parts (e.g. leadership, cultural fit, or role-specific knowledge) and focus only on data that measure those components.

- Give each rater the tools to independently assess and rate the candidates in each of the pre-determined components.

- Then, get a hiring committee to evaluate all the ratings along with additional data (e.g. test results, references) to make the final decision.

How Much Noise Should We Tolerate?

It's hard to enforce noise reduction strategies because most people don't even realize that noise exists. Others are concerned that such strategies may be rigid, unfair, or dehumanizing.

- In the 1980s, US congress members sought to address the disparity in criminal judgments by introducing a set of mandatory sentencing guidelines. This successfully reduced variability in criminal sentencing. Yet, people objected that the guidelines were too mechanical and didn't give the judges enough discretion to consider the nuances of each case. In 2005, the guidelines were finally changed from mandatory to advisory. The disparity in judges' sentences doubled thereafter.

There are 7 key objections to reducing or removing noise:

KEY QUOTES

"Unlike rules or algorithms, guidelines do not eliminate the need for judgment: the decision is not a straightforward computation."

"Our intuition will serve us much better once it is informed by the separate assessments we have asked for."

- It can be *costly* (and sometimes unviable) to reduce noise. That's why we need noise audits to learn the extent/impact of noise and run cost-benefit analyses.

- Noise-reduction strategies may create *unwanted side-effects or errors*. For example, if every forecaster makes the same prediction, the forecasts will be less noisy but also incorrect. People may focus too much on noise elimination to lose sight of other goals, principles, or values. Algorithms may also have built-in noise if (i) they use predictors correlated with traits like race or gender, or (ii) the source data itself is biased.

- Some level of noise must be tolerated if we were to let people preserve a sense of *dignity and autonomy*. Concepts like "mercy" and "empathy" are inherently subjective and noisy. It can seem dehumanizing if someone can't get a mortgage due to his credit rating, or can't get a job due to a drug offence 20 years ago.

- Rules that eliminate noise could also block new values that are vital for *social/moral/political change*. For example, our definition of women's role in society has changed over the years. This would not have been possible if our systems are governed by strict and unchanging rules.

- Rule-bound, noiseless systems may be *more easily manipulated*, compared to noisy systems where people can use their discretion to adapt to unexpected situations or system gaps.

- In some cases, noisy systems may be more effective as a *deterrent for wrongdoings*. Risk-averse people may shy away from a crime if they're unsure if it will lead to harsh punishments.

- Squashing noise could *inhibit creativity and self-expression*. These could lead to poor morale and performance, to generate even higher costs.

The authors believe that it's possible to address these concerns and reduce noise. The key is to adopt the right strategies, such as aggregating independent judgments or using shared scales grounded in outside views.

A related question is: should we regulate noise through rules, standards, or both?

KEY QUOTES

"It might be costly to remove noise—but the cost is often worth incurring."

"Algorithms could eliminate unwanted variability in judgment but also embed unacceptable bias."

"If we want people to feel that they have been treated with respect and dignity, we might have to tolerate some noise."

"A rule-bound system might eliminate noise, which is good, but it might also freeze existing norms and values, which is not so good."

"Our general conclusion is that even when the objections are given their due, noise reduction remains a worthy and even an urgent goal."

- *Rules* like "Don't exceed 80 km/hour" or "Take 1 pill every morning and every night" are very specific and rigid. They remove discretion for the judges, allowing people to just follow the rules without much thought.

- *Standards* like "Drive at a safe speed" or "Take a pill whenever you need it" are more flexible. They allow the judges to apply discretion, but also makes it more effortful since the judges must decipher what words like "safe" or "necessary" mean in practice. In some case, guidelines like the Apgar scores may be specific, yet provide some room for discretion.

- To choose between rules and standards, you must consider the *costs of decisions vs errors*. As a rule of thumb, use rules if you need to minimize errors, and use standards if you need to retain some discretion.

  (i) When there are many noisy decisions to be made, or when you can't trust the judges, it's better to have clear rules. For example, the law may say that only those aged ≥18 can buy liquor. This is to protect young people from the risks of alcohol consumption, even though someone who's 16 or 17 may handle alcohol more responsibly than someone who's 46 or 67. It's too messy to set broad standards and leave the discretion to alcohol merchants, so a rule becomes the logical solution, however imperfect it is.

  (ii) However, if a rule may lead to disastrous mistakes (e.g. in matters of life and death), then a standard may be better to give the judges some discretion.

Conclusion and Other Details in the Book

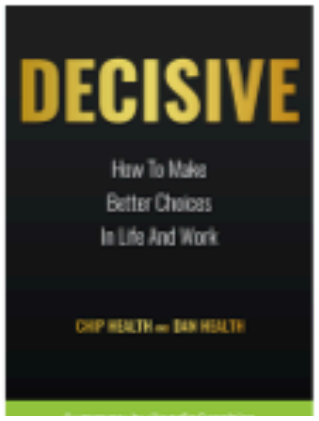
Biases are widely discussed because they're more visible, and laws have even been enacted to correct/prevent unacceptable biases. On the other hand, noise is neglected because it's often invisible, even through it has at least as much impact as biases. To improve the effectiveness and fairness of our systems, it's crucial for organizations to start pay more attention to the costs and impact of noise.

KEY QUOTES

"Rules are meant to eliminate discretion by those who apply them; standards are meant to grant such discretion."

"Although accuracy is the goal, perfection in achieving this goal is never achieved even in scientific measurement, much less in judgment."

"In many areas, the current level of noise is far too high. It is imposing high costs and producing terrible unfairness."



DECISIVE

How To Make Better Choices in Life and Work

CHIP HEATH AND DAN HEATH

The Big "So What"

We make decisions every day. Yet, we often find ourselves regretting or abandoning these decisions—be it choosing the wrong career, making a poor business decision, or buying something we don't need. This book explains why we make poor decisions, and how we can counter our own mental/emotional biases to make better choices.

Introduction

There are many books and studies that explain why we make **poor decisions.**

- For example, in "Thinking, Fast and Slow", Daniel Kahneman explains many of our mental biases, including "what you see is all there is". The Heath brothers call this the "*spotlight effect*", i.e. we make decisions based on the information being spotlighted and our subjective interpretation of that information. In so doing, we miss out on information and options outside of the spotlight.

- In fact, we can't trust our *intuition or detailed analysis*, as both are susceptible to biases.

The question that remains is: **How can we make better decisions**? The Heath brothers explain 4 key steps in a typical decision-making process, the villains that causes bad decisions at each step, and how we can counter them using the WRAP process to adjust our spotlight and make better choices.

KEY QUOTES

"Our decisions will never be perfect, but they can be better. Bolder. Wiser. The right process can steer us toward the right choice."

"What's in the spotlight will rarely be everything we need to make a good decision, but we won't always remember to shift the light."

"Sometimes we are given the advice to trust our guts when we make important decisions. Unfortunately, our guts are full of questionable advice."

Decision-making Process	Key Villains	WRAP Solution
Facing a choice	Narrow Framing	Widen your Options
Analyzing options	Confirmation bias	Reality-Test your Assumptions
Making a choice	Short-term emotions	Attain Distance before Deciding
Post-decision	Overconfidence	Prepare to be Wrong

The 4 Villains of Decision Making

Here are the 4 key factors behind our bad decisions.

Villain #1: Narrow framing.

- When we *face a choice*, we tend to look at our options narrowly, and often in binary terms, e.g. "Should I buy a new house or not?" or "Should I quit or stay in my job?". This limits the options that we consider.

- In reality, there are always more and better options if you use a *broader frame*, e.g. "What's the best way to improve our living conditions?" or "How can I improve both my income and job satisfaction?".

Villain #2: Confirmation bias.

- As we *analyze our options*, we tend to only look for data that confirms our beliefs, assumptions and predispositions, instead of truly seeking the best information.

- Researchers found that we're 2x more likely to favor information that *confirms our view* than information that disconfirms it. In fact, the more time and effort we invest in analyzing an issue, the more our confirmation bias kicks in. A KPMG study found of 83% of 700 mergers and acquisitions (M&As) did not boost shareholder value. This is partially

KEY QUOTES

"A better decision process substantially improves the results of the decision, as well as the financial returns associated with them."

"The confirmation bias leads us to hunt for information that flatters our existing beliefs."

"When we want something to be true, we will spotlight the things that support it, and then, when we draw conclusions from those spotlighted scenes, we'll congratulate ourselves on a reasoned decision."

because, after months of analyzing and negotiating a potential M&A, executives tend to focus only on the company at hand, rather than reconsider other companies or new ways to achieve their goals.

Villain #3: Short-term emotions.

- Despite our detailed data and analysis, when we actually *make our choice*, we tend to be influenced more by our short-term feelings.

- In such cases, it helps to *step away* until the emotions fade, so we can see things from a fresh perspective and consider the bigger picture.

Villain #4: Overconfidence.

- *After making the decision*, we tend to feel certain about how the future will turn out, when in reality we are merely guessing and have no way of accurately predicting the future.

- For example, doctors who were "certain" about their diagnosis turned out to be *wrong* 40% of the time. Students who estimated they had a 1% chance of being wrong were in fact wrong 27% of the time.

Solution: W.R.A.P

To protect yourself from these 4 biases, wrap the 4-step W.R.A.P. process around your usual decision-making process.

The 4 steps generally flow in **sequence**, but you need not follow them strictly, and you may not always need all the steps.

This process works only for **considered decisions** that take at least 5 minutes, i.e. it does not work for intuitive, split-second decisions, which can only be trained in a predictable environment with lots of repetition and instant feedback.

KEY QUOTES

"We have kicked up so much dust that we can't see the way forward. In those moments, what we need most is perspective."

"When we make guesses about the future, we shine our spotlights on information that's close at hand, and then we draw conclusions from that information."

"Our hope is that you'll embrace the process we outline...and practice it until it becomes second nature."

Widen your Options

To overcome your tendency to adopt a narrow frame, use these 3 strategies to (a) expand your options, (b) effectively consider multiple options, and (c) find alternatives even if you're stuck.

Avoid a Narrow Frame

Learn to **become aware** when you're stuck in a narrow frame.

- Watch or listen out for *whether-or-not questions*. Then, consciously widen your options with questions like "Is there a better way?" or "What else can I do?".

- *Replace "OR" with "AND"* in your questions to ask "How can I get this AND that?" rather than "Should I go for this OR that?"

Consider your opportunity costs, i.e. what you give up when you make a choice. For example, if you're deciding whether to buy a car (a binary decision), you can remind yourself of other options simply by *adding the words in bold below.*

a. Buy a car.

b. Not buy a car. **Keep the $5,000 for something else.**

Use the "Vanishing Options Test": Ask yourself what you'd do if you can't choose either of the options you are considering. This forces you to go beyond your narrow frame to explore new alternatives.

Multitrack—Explore Multiple Options

Consider more than 1 option simultaneously. This is more effective than considering your options sequentially.

- For example, graphic designers who concurrently designed (and received feedback on) 3 design options delivered much *better results* than those who designed 3 ads sequentially.

KEY QUOTES

"Learn to distrust 'whether or not' decisions…when you see or hear that phrase, a little alarm bell (should) go off in your head, reminding you to consider whether you're stuck in a narrow frame."

"If you're willing to invest some effort in a broader search, you'll usually find that your options are more plentiful than you initially think."

"Until we are forced to dig up a new option, we're likely to stay fixated on the ones we already have."

- This is because people can *compare and learn simultaneously* from various sets of feedback, to develop better mental models and solutions for subsequent revisions. With multiple alternatives, people also tend to feel less invested in any one solution, thus *minimizing ego and politics*.

- However, this will not work if *bogus options* are presented just to make a preferred option look good. Do a quick poll amongst your team-mates—if there's disagreement on the best option, it means you have genuine options to choose from.

You simply need to add **1-2 additional options** to drastically improve your decision and outcomes.

- There's no need for a full range of options; in fact, too many choices can lead to *decision paralysis*.

- A study found that whether-or-not decisions (with only 1 option) failed 52% of the time in the long term, while decisions with *2 or more alternatives* failed only 32% of the time.

Our **frame of mind** affects how we respond to the options we see.

- When we're in a "*preventive mindset*", we are cautious and focused on minimizing losses or damage. When we're in a "*promotion mindset*", we focus on opportunities.

- You need both perspectives, and the key is to *combine caution with optimism*—focus on AND, not OR, e.g. how can you reduce the budget while using the freed-up resources to invest in your most exciting opportunities?

Find Others Who Have Solved Your Problem

If you feel stuck, one of the best ways to find new ideas is to look for people who have already solved your problem.

You can find "**bright spots**" within your organization, your industry or others in similar circumstances. For example, if you're trying to build a new exercise habit, look at what you did on those days when you successfully went to the gym. If you're

KEY QUOTES

"You don't need a plethora of choices to improve your decisions. You just need one extra choice, or two."

"How you react to (an option)...depends a great deal on your mindset at the time it's offered."

"When life offers us a 'this or that' choice, we should have the gall to ask whether the right answer might be 'both'."

"To break out of a narrow frame, we need options, and one of the most basic ways to generate new options is to find someone else who's solved your problem."

trying to implement a new loyalty program, look at how others have successfully rolled out theirs.

You can even proactively capture your discoveries in a "**playlist**", e.g. people to consult, ideas to consider, or questions to ask.

- *Checklist vs playlist*. A checklist is prescriptive—it tells you exactly what you need to do and works for repetitive tasks. However, a playlist is generative—it acts as a stimulus to help people consider more options and discover new ideas.

- For example, a playlist for *budget cuts* could include: exploring new sources of income to alleviate the need for cost-cutting, delaying planned expenditures (not just cutting existing ones), and identifying new opportunities that are now possible to pursue with the freed-up resources. Such a playlist helps your team to approach budget cuts more creatively and constructively.

Use **analogies** to get new ideas, starting from analogies that are most identical to your situation, then expanding it progressively to get more creative. For example, if you want to reduce the queuing time in your office canteen, you can start with bright spots within your organization (e.g. how queue lines were shortened at the checkout counters). Then, gradually broaden your reference points to look at other industries, e.g. queue-management at F&B outlets or retail stores, or even crowd management practices at stadiums or theme parks.

Reality-Test your Assumptions

To overcome confirmation bias and our overconfidence in our predictions, we must reality-test our assumptions. The authors recommend 3 strategies to (a) improve the way we collect information, (b) improve the types of information we collect, and (c) test our options before we commit to them.

Consider the Opposite

Look for disconfirming data that challenge your beliefs or assumptions. Deliberately seek disagreements or find people who can play devil's advocate, to get a more balanced perspective.

KEY QUOTES

"Granular problems benefit from local analogies, and conceptual problems lend themselves to regional analogies."

"If you haven't encountered any opposition to a decision you're considering, chances are you haven't looked hard enough."

Probe further to draw out disconfirming information.

- Use *probing questions* like: "*What would have to be true* for this option to be the right answer?", or "Could this solution bring any problems?". Where probing questions are inappropriate, you can use open-ended questions to gather data.

- *Probe for specifics*, which may uncover conflicting data. For example, instead of asking, "are your employees happy with your company?", try asking "how many employees were hired 5 years ago?" and "how many of these employees are still with the company?".

Force yourself to **consider what's opposite to your instincts**.

- If you are feeling upset with someone, force yourself to "*assume positive intent*", e.g. assume that the other person is trying to be helpful, rather than being a busy-body.

- At the extreme, you can test your assumption by *making a deliberate mistake*, i.e. do what you believe won't work. If you fail, it proves your assumptions are correct; if you succeed, you'd have just disproved a wrong assumption.

READINGRAPHICS
Ideas Come Alive

KEY QUOTES

"Reality-Testing Our Assumptions is difficult... That's the whole point of the confirmation bias—deep down, we never really want to hear the negative information."

Zoom Out and Zoom In

An "outside view" is the summary of real-world experiences, while an "inside view" is your own impression or opinion. Zoom out and zoom in to get a more complete and realistic assessment of your choices.

Zoom out to get a more global view of what to expect.

- Test your assumptions by *consulting an expert*—someone who has more experience than you in an area—such as a lawyer for legal matters. Generally, experts are great at offering advice on variables and base-rates, but not for predicting outcomes for specific situations.

- Seek to answer this question: *What can I reasonably expect* to happen if I make this choice?

"Take the outside view. You should distrust the inside view...and instead get out of your head and consult the base rates."

Then, **zoom in** on the details to assess the likely outcomes for your unique situation, and focus on specific ways to improve your chances of success.

- For example, you may shortlist *potential holiday resorts*

Conquer Short-Term Emotions

We often make decisions based on emotional impulses, then regret them when the feelings fade.

By default, we tend to be **emotionally attached** to status quo and what's familiar:

- *Loss-aversion*. We find the pain from potential losses to be greater than the rewards from potential gains, thus prefer to keep things the way they are.
- *Familiarity*. We are naturally predisposed toward what we're familiar with, and tend to feel more positive about something just because we're exposed to it more frequently.
- Use the techniques below to *distance yourself* from these short-term impulses so you can make better decisions.

The "10/10/10 principle". To decide whether to proceed with an option, consider how you'll feel about it (a) 10 minutes from now, (b) 10 months from now, and (c) 10 years from now.

- Our feelings seem very real and intense in the present, but fade with time. By forcing yourself to *look into the future*, you'll dull the impact of your emotional impulses.
- Our short-term feelings are still useful in decision-making. The key is *put them in perspective* so they are not the main or sole influencer of our decisions.

Adopt a third-party perspective to distance yourself from your emotions and gain greater clarity. Ask yourself, "What advice would I give my best friend in such a situation?" or "What would my successor do in my shoes?".

Honor your Core Priorities

Although it helps to minimize the impact of short-term impulses, all major decisions are fundamentally about emotions—what you believe in, what you want and who you are. The key is to make decisions that are right for you.

If you find yourself agonizing over 2 options that are both attractive in the long-term, it's likely that you're dealing with a **conflict of core priorities.**

KEY QUOTES

"Conducting a 10/10/10 analysis doesn't presuppose that the long-term perspective is the right one. It simply ensures that shortterm emotion isn't the only voice at the table."

"There's no 'rational machine' underneath that is generating your perspective. It's who you are and what you want. The buck stops with emotion."

- Imagine you're trying to decide whether to stay in your current job (which pays well, provides work-life balance and allows you to play to your strengths) or take on a high-profile job (which comes with a huge pay rise, new challenges but requires you to move overseas and work long hours). The right decision in this case depends on *your values and what matters most to you*.

- Tough organizational decisions like, "Do we go with Option A to maximize shareholder value, or go with Option B to maximize benefits to our customers?" are also about *mission and core values*.

In order to make sound decisions, you must **define and follow your core priorities**. However, most people don't define their priorities simply because they don't have to. Attain distance so you can step back and review where your priorities truly lie.

Even if you know your priorities, it's hard to stick to them, e.g. you may value quality time with your kids but constantly give priority to urgent work projects. To make time for your key priorities, you must **remove your lesser priorities**.

- Create a "*stop-doing list*" each year, to free up time/resources for your main priorities.

- Fix a slot in your weekly schedule to *review how you spend your time*, and to identify what you can give up to make time for your priorities.

- *Set a regular alarm*—each time it goes off, pause and ask, "Am I doing what I most need to be doing right now?"

Prepare to be Wrong

We cannot accurately predict the future, but we can plan for surprises using 2 strategies: (a) bookend the future so you explore a wider range of possibilities and (b) set a tripwire to review your decisions.

Bookend the Future

Estimate 2 extreme scenarios—a desperate outcome (the lower bookend) and a dream outcome (the upper bookend). This forces you to consider a broader range of possibilities.

KEY QUOTES

"When we identify and enshrine our priorities, our decisions are more consistent and less agonizing."

"People rarely establish their priorities until they're forced to."

"With some distance, we can surface the priorities conflicts that underlie tough choices. With some distance, we can spot and stamp out lesser priorities that interfere with greater ones."

"We can't control the future, but with some forethought, we can shape it."

"To bookend the future means that we must sweep our spotlights from side to side, charting out the full territory of possibilities."

Build safeguards against the **lower bookend**, much like how you'd buy insurance.

- Use "*premortems*" (a concept by Gary Klein) to identify your biggest threats: Imagine your project turns out to be a total flop—what could have caused that failure? Build contingencies for these threats.

- Use "*failure-mode and effect analysis*" or FMEA (by Gunther Murphy) to identify potential failures at each step of your plans. Ask "how likely is it?" and "how severe would the consequences be?", then multiply the scores for the 2 questions to identify the biggest threats to be addressed.

Be prepared for the **upper bookend** or the unexpectedly good outcomes. Use a "*preparade*": Imagine your project is such a success that you're holding a parade to celebrate it. What will you need to handle this success?

Assume you're still overconfident, and build in a **margin of error** that's appropriate for your type of project.

You can also apply this concept to make better hiring decisions. During interviews or new-hire orientations, give a "**realistic job preview**", i.e. give a glimpse of what to expect, including unpleasant realities like long hours or difficult customers. By preparing people for what's to come, you can actually reduce turnover and improve job satisfaction.

Set a Trip-Wire

It's easy to get comfortable with status quo or lapse into auto-pilot mode (like how we brush our teeth or drive without conscious thought). We may also miss small daily changes or adopt a wait-and-see approach until it's too late. Tripwires are signals that will force us to reconsider a decision or to make a new one, at the right time, like your car's low-fuel warning indicator.

Your tripwire can be in the form of a **date or measurement**, e.g. "We will take action when 20% of the market has adopted this technology" or "We will take action if the market has not recovered in the next 3 months."

You can also create a **partition** that necessitates a conscious choice.

- In a study, participants who were given 24 unwrapped cookies finished them in 6 days, while those given

KEY QUOTES

"By bookending—anticipating and preparing for both adversity and success—we stack the deck in favor of our decisions."

"The FMEA and its sister technique, the premortem, stop people from focusing on a single, usually optimistic guess about how the world will unfold and instead compel them to pay attention to the uncertainty surrounding the guess."

"Tripwires at least ensure that we are aware it's time to make a decision, that we don't miss our chance to choose because we've been lulled into autopilot."

individually-wrapped cookies finished them in 24 days. The physical act of removing the wrappers forced people to consider if they wanted to continue eating.

- Likewise, you can create tripwires by separating your salary (or even gambling funds) into separate envelopes to remind yourself to control your expenditure.

Label your tripwires to make them easier to recognize—the recognition alone acts as a reminder that you can make a deliberate choice.

Conclusion + Other Details in the Book to Look Out For

The WRAP process provides a clear and consistent way to make better decisions; it can also improve the perception of fairness to improve buy-in for group decisions. Apply the tips to your decisions, and trust that you have the safeguards in place to make bolder decisions and take risks more confidently.

The Heath brothers bring these ideas to life using a range of real-life stories, vivid examples and case-studies. The book also includes:

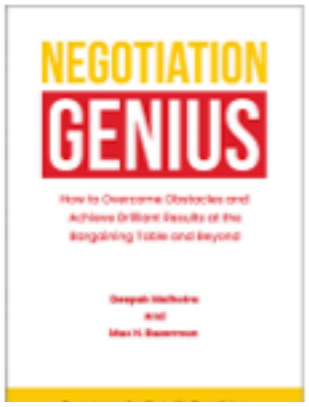
- "Clinics" to help you apply the tips using various real-world challenges; and

- Advice on overcoming 11 common roadblocks to use the WRAP process effectively.

Visit heathbrothers.com for additional resources such as a free workbook, various decision scenarios, podcasts and a book club guide.

KEY QUOTES

"With the right tripwire, we can ensure that we don't throw good money (or time) after bad."



NEGOTIATION GENIUS

How to Overcome Obstacles
and Achieve Brilliant Results at
the Bargaining Table and Beyond

DEEPAK MALHOTRA & MAX H. BAZERMAN

The Big "So What"

Negotiation skills are essential for success in all areas of life, from business to politics and personal life. This book equips you with proven principles, strategies and tactics to become an effective negotiator.

Introduction

A negotiation genius is someone who can (i) consistently negotiate successful deals while (ii) preserving his integrity/ reputation and (iii) strengthening the relationship. Successful negotiations don't come from inborn talent or intuition. They come from careful preparation, sound strategies and tactics. In this book, the authors present the negotiation framework and tools that they've researched, tested and refined in executive programs and real-world corporations.

In this summary, we'll present the insights in 2 parts: (i) The Negotiation Toolkit, and (ii) Negotiating in the Real-World.

Part 1: The Negotiation Toolkit

Claiming and Creating Value in Negotiation

The goal of negotiation isn't to achieve win-win outcomes. It's to create value such that both sides are better off with an agreement than without.

KEY QUOTES

"What appears to be genius actually reflects careful preparation, an understanding of... negotiation...and the ability to structure and execute negotiations strategically and systematically."

"A good negotiator plays the game well; a negotiation genius changes the nature of the game itself."

- During the 1912 U.S. presidential elections, a campaign manager printed 3 million copies of Theodore Roosevelt's photo before he realized that he didn't have permission to use it. The copyrights alone could've cost $3mil (equivalent to $60mil today). Instead of paying a hefty fee, the campaign manager asked the photographer how much he'd pay for this once-in-a-lifetime opportunity to feature his photo, and received $250 from the photographer!

Claiming vs creating value. Value is subjective and can mean different things to different people.

- In some cases, a negotiation involves only 1 divisive issue (e.g. the price for buying/selling a house). In such cases, 1 party's gain is at the other party's expense, and your goal is to *claim the most value* without hurting the relationship or your reputation.

- However, in most cases, it's possible to *create value* to improve the deal for both sides. After all, 50% of a $200 pie is better than 80% of a $100 pie.

(i) One of the best ways to create value is to *add issues* to a negotiation. This creates more currencies for exchange, making it possible for each side to get something it values more, by giving away something it values less. For example, in a business deal, you can go beyond price to discuss financing, warranties, post-sales support etc.

(ii) *Logrolling* = trading across issues. As a rule of thumb, if the other party values something more than you do, give it to them in exchange for something of greater priority to you. Let's imagine you're negotiating the licensing fees for a sitcom. A higher licensing fee will benefit the sitcom at the expense of the TV station. However, if you concede to more runs per episode in exchange for a higher licensing fee, it'll benefit both sides since the revenue from the extra runs can more than cover the additional licensing fee.

KEY QUOTES

"Value is whatever people find useful or desirable... Negotiation helps to create value through agreements that make both parties better off than they were without an agreement."

"Getting a good deal in negotiation is not simply about claiming as much value as you can. Often, a much more important (and difficult) task is to create value and increase the size of the pie."

"A good negotiator will do whatever it takes to close the deal, while a negotiation genius will do whatever it takes to maximize value in the deal."

Pre-Negotiation: Preparation is Key

Great negotiation requires prior preparation: you need to gather information about the situation and the other party, decide what you want, craft your negotiation strategy, etc. To claim the most value from your negotiations:

- Determine *your BATNA* (Best Alternative to Negotiated Agreement), or what you'll do without an agreement. Identify all possible options if negotiations were to fail, estimate the value of each option and select your best fallback option (i.e. your BATNA). This isn't what you think is "fair" nor what you hope for. It's what you're prepared to face if you don't have an agreement.

- Calculate *your Reservation Value (RV)*, or the point you'll walk away from the negotiations. If you're selling your car, then this is the absolute lowest price you're willing to sell your car for.

- Assess *the other party's BATNA*, i.e. what they could do if there's no agreement.

- Estimate *the other party's RV*.

- Calculate the *ZOPA* (or the zone of possible agreement). This is the range between the 2 RVs, or the set of possible deals that may be acceptable to both sides.

To prepare for value-creation, go beyond the BATNA, RV and ZOPA:

- Identify your *range of interests* which can be fulfilled by the other party.

- Create a *scoring system* to reflect each item's relative priority.

- Calculate your *Package Reservation Value (PRV)*.

- Identify *the other party's range of interests*.

KEY QUOTES

"Your BATNA is the reality you will face if you reach no deal in the current negotiation."

During Negotiation: Get the Best Possible Deal

If you have enough info to be confident of the other party's RV, make the first offer to create an "anchor" or reference point for the negotiation.

- Assuming you have enough info to *make the first offer*:

  (i) Make an offer *outside the ZOPA*. This forces the other side to negotiate their way into the ZOPA and keeps the entire ZOPA in play. For example, if you're selling a plot of land with a ZOPA of $41-55 mil, make an initial offer above $55 mil.

  (ii) Go for the most aggressive offer that you can justify. Explain the *reasons* for the offer so your counterpart won't feel offended or think it's impossible to reach an agreement.

  (iii) Remember: you want to get the best possible deal while improving your reputation and relationship. So, set *high but realistic goals* given the context and relationship.

- *If the other party makes the first offer*, you must consciously counter the effects of anchoring:

  (i) *Ignore the anchor* by switching to a different topic, e.g. "From your offer, it seems we have different views on this deal. Perhaps we can bridge the gap by exploring [new topic]."

  (ii) Make an *aggressive counter-offer* to capture the full range of ZOPA, then suggest that you bridge the gap together.

  (iii) If their offer is way outside the ZOPA, explain your position and invite them to *reopen the negotiations* from a new starting point.

- Our satisfaction with a deal depends less on the actual outcome than our *perception* of the outcome. Your counterpart will be satisfied so long as they think they got a good deal and were treated fairly and respectfully. So, if they make an *unbelievably good offer*, don't accept it immediately or they'll feel stupid. Instead, it's better to:

KEY QUOTES

"Asking for too little diminishes the amount of value you can capture; asking for too much diminishes your chances of consummating the deal."

"Aspirations influence first offers, which in turn influence final prices."

"Satisfaction has everything to do with how well you think you did, and often little or nothing to do with how well you actually did."

(i) Wait, make a counteroffer or ask for more concessions. This actually makes them happier than if you agree right away.

(ii) Give something back generously.

(iii) Ask yourself what they may know that you don't, i.e. is there a catch that you may have missed?

Use these haggling strategies to bargain more effectively:

- To capture more value, *focus on their BATNA/RV* instead of yours.
- *Make use of silences*. Resist the urge to speak after you've made your offer. Or, stay silent after they make an extreme offer so they may volunteer a concession.
- Don't make unilateral concessions—always *go for reciprocity*. Label your concessions to make them explicit, and specify what you expect in return for your concession. Or, make your concessions contingent on certain conditions.
- Be aware of the *diminishing rate of concessions*. As the other side approaches their RV, the concession tends to get smaller. This can also be used to create the illusion that you're close to your RV.

Use these strategies to create and maximize value for both sides:

- *Negotiate multiple issues at the same time* to allow for logrolling.
- Reach agreement only after discussing all the issues, so you can consider trade-offs using *package offers*.
- Apply *Pareto improvement*, i.e. change parts of a deal that'd make at least 1 party better off without making anyone else worse off. Keep doing so until you reach Pareto efficiency, when it's impossible for 1 party to gain more without hurting the others.
- When both sides have drastically different expectations and can't agree on who's right or wrong, *contingency contracts* can be used to break the impasse. For example,

KEY QUOTES

"You are negotiating not just the deal, but also the relationship."

"Effective negotiators understand not only the power of silence, but also the need to be comfortable with it...remind yourself that if you speak when it is their turn, you will be paying by the word."

"The relative importance of each issue to each party only becomes apparent when the issues are discussed simultaneously."

if you can't agree on the expected ratings for a sitcom (which affect the licensing fees), try using a clause like this: If the ratings are above the benchmark number, they'll get $X rebate; if it's below the benchmark, they'll pay a surcharge.

You can't maximize value if both sides refuse to share information. Use these strategies to gather useful information:

- Gather *all potential sources of info* before the negotiations, e.g. public info, historical data, information from personal/business contacts.

- *Know what you don't know*. Intentionally ask questions to verify your assumptions and revise your estimates. For example, if you're unsure if the buyer intends to use the land for commercial or residential development, you can say, "This plot of land will be very valuable if it's used for commercial development. What are your plans for this real estate?"

- Great negotiation isn't about selling your proposal or persuading them of your strengths. It's about the ability to *listen and understand* where they're coming from, so you can structure a deal that maximizes value for both sides.

- Don't dismiss their *demands or constraints*. See them as opportunities to create/capture value.

- Don't just focus on what they want; *ask why* they want it or why they're saying "no". A large corporation wanted exclusivity from a small supplier, but the latter had to refuse because the owner had an existing supply agreement with his cousin. Once the "why" was known, both sides could agree on an exclusivity clause while still allowing the owner to supply to his cousin.

- You can't expect your counterpart to tell you their RV, but you can *ask indirect questions* to improve your estimates. For example, you can ask how this deal fits with their overall strategy, ask about their customer profiles/ needs or future projects.

KEY QUOTES

"Negotiation is an information game. Those who know how to obtain information perform better than those who stick with what they know."

"Negotiation geniuses know how to act on information they have, acquire information they do not."

"Every offer is a combination of information and influence. The other party's offer tells you something about what she believes and what she wants (information), but it also has the power to derail your strategy (influence)."

- Learn to *separate information from influence*. Pause to consider if the info is really something new, or if you're influenced by the way it's being presented. We'll elaborate on this in Part 2.

- If the other party is reticent, you need to first *build trust*: (i) use their lingo, (ii) invest the effort to build personal/ informal ties outside the negotiations, (iii) nurture the relationship in advance (not only when you want something), and (iv) give away some info first (e.g. share your relative priorities without revealing the absolute value of each priority).

- If the other party still isn't forthcoming, try making *2 different offers simultaneously*. These offers may be of equal value to you, but contain variations to help you gauge their relative priorities. If neither offer is acceptable, you can then ask "which offer is closer to something you can accept?"

- Use *contingency contracts* to protect yourself from areas of uncertainty. For example, if you're unsure whether the buyer will honor their promise to use the land for non-commercial use, you can add a clause to say that they must pay an extra $X if the land is used for commercial development within 10 yrs.

Post-Negotiation: Maximize Satisfaction and Value

We may feel unhappy about a negotiation if we think that we could've secured an even better deal. To maximize your satisfaction: focus on your ambitious targets during the negotiation, but switch to focusing on your RV once the negotiation is over.

After signing the initial agreement, you can continue to create value with a post-settlement settlement (PSS). Acknowledge the progress made with the initial agreement. Then, tell your counterpart that you've already given all possible concessions, but are still willing to think out of the box to help them.

- The goal isn't to reverse the agreement or squeeze new concessions. It's to give both sides the opportunity to

KEY QUOTES

"Negotiation geniuses do not simply leverage trust when it is present; they build trust when it is absent."

mutually improve the agreement, or at least achieve *Pareto improvement*.

- If neither party can think of better ideas, your initial agreement will now become your BATNA.

Part 2: Negotiating in the Real World

Psychology in Negotiations

All human beings—including experienced negotiators—are subject to mental and emotional biases/errors. These create conflict and distrust, hinder our ability to learn from experiences, and lead to sub-optimal outcomes. Negotiation geniuses learn to minimize their own mistakes while leveraging others' mistakes.

- Our brains take shortcuts so we can make decisions quickly. However, such *cognitive biases* can result in irrational decisions.

(i) The *fixed-pie bias* is the assumption that you're in a zero-sum game, and one party's gain is the other party's loss. It's hard to collaborate when each side sees the other as an enemy, focuses on grabbing a larger chunk of the pie, and dismisses the proposals/concessions made by the other side.

(ii) The *vividness bias* is our tendency to focus too much on vivid features/data, to neglect dull but important info.

(iii) Once we're in a competitive/combative mode, we may end up in an *irrational escalation of commitment*. We try to win at all costs even if it sabotages our own goal.

(iv) We're also *susceptible to framing*, i.e. we'll respond differently to the same info when it's presented differently. For instance, we tend to be risk-averse when thinking about potential gains (i.e. we want guaranteed wins), but risk-seeking when thinking about potential losses (i.e. we switch to an "all or

KEY QUOTES

"In the context of decision-making and negotiation, many of the mistakes people make are systematic and predictable."

"It is better to assume that you can enlarge the pie and later find out that you were wrong than to assume the pie is fixed and never find out you were wrong."

"Once you are a "loser," you won't mind digging yourself into a bigger hole (i.e., losing even more) as long as there is some possibility of digging yourself out entirely."

nothing" mentality if we have something to lose). You may hesitate to bet your first $100 at the casino. Yet, after losing $800, you'll be more willing to bet another $100 to try and win back your losses.

- We also act irrationally due to *motivational or emotional biases*.

  (i) Often, we're torn between what know we *should* do vs what we *want* to do. In a real story, a dispute over window grills (worth $909) ended up costing the parties $100,000 in legal fees over 6 years. They spent an illogical amount of time/money just to satisfy their desire for justice.

  (ii) We also tend to view ourselves with a *positive bias*. We play up things that make us look good, and play down things that make us look bad. We're also prone to overconfidence, irrational optimism, and the illusion of superiority. We think that we're better (smarter, fairer, more flexible, etc.) than others, and believe our views to be more valid.

  (iii) We adopt *self-serving attributions*—we attribute our successes to internal reasons (e.g. skills, personality, creativity) and our failures to external reasons (e.g. bad luck). We do the opposite for others—we attribute their successes to external reasons and their failures to internal reasons.

  (iv) We tend to hold out more/longer that we should due to *regret aversion*, or the desire to avoid any cause for regret.

Negotiation geniuses seek to manage such biases:

- Our brains have 2 default systems. System 1 is fast, automatic, and emotional. System 2 is slower, deliberate and logical. *Facilitate System 2 thinking* with the following:

  (i) Set aside time for *pre-planning*. Create a scoring system to remember your real interests, and develop an exit strategy (e.g. set a cut-off point where you'll stop bidding).

  (ii) Don't negotiate under *time pressure*.

KEY QUOTES

"We view the world the way we wish it were rather than how it truly is."

"Egocentrism is not only common, but also robust and resilient."

"To overcome bias and negotiate effectively, you need a framework for thinking about, preparing for, and executing negotiations systematically and strategically."

(iii) Spread out the negotiation across *multiple sessions* to give yourself time to think in between.

- *Use analogies* to facilitate logical thinking. Review several negotiations simultaneously to identify similarities and differences, key learning principles and lessons.

- *Adopt the "outsider lens"* to detach yourself from the situation:

  (i) Bring in an *outsider* during preparation, or assign someone to act as your devil's advocate.

  (ii) Assess the system as a *third party*, e.g. imagine you're giving advice to a friend.

- Stop to consider how an offer compares with *objective reference points*, such as the status quo, your original target or BATNA.

At the same time, you need to address others' biases:

- Factor their biases into your *plan/strategy*.

- If you're confident that your offer is better than what they can get elsewhere, then give them time to analyze and compare their options. You can also *facilitate rational discussions* by proposing a timeline to discuss specific issues or ask them to consider their relative priorities.

- *Calibrate information*, e.g. get opinions from several real-estate agents to ensure your agent's list price isn't biased.

- *Use contingency contracts* to cater to different viewpoints.

Using and Countering Strategies of Influence

Use these strategies to influence others effectively:

- Leverage loss aversion by *highlighting their potential losses, not their potential gains*. For example, you can frame your proposal in terms of how much they'll lose without your solution (not how much they'll save/gain). Or, point out what's missing from your rivals' offer (instead of what your offer includes).

KEY QUOTES

"By giving up your ability to pursue what you want, you can ensure that you will do what you should."

"Thinking about the decision biases of others allows you to calibrate, quantitatively and qualitatively, the information, data, and arguments that you hear from them."

- *Disaggregate their gains and aggregate their losses*.

  (i) We feel more satisfied with *many small wins* (instead of 1 big win). Make small concessions throughout the negotiation, share good news in small doses, and distribute your benefits/rewards in installments.

  (ii) We feel less pain if we encounter *1 big loss* (instead of many small ones). So, combine your demands, bad news or costs, and share them all at once.

- Use the *Door-in-the-face (DITF) technique*. Make an extreme request so they'll say "no", then quickly follow up with a moderate request. They're 3x more likely to say "yes" because the 2nd request seems like a concession, and appears more reasonable compared to the first.

- Use the *Foot-in-the-door (FITD) technique*. Start with a small request that they'll probably agree to, then wait a while before you make a bigger, related request. This plays on our desire to act consistently with past decisions and actions.

- People tend to say "yes" to requests with seemingly-legitimate *justifications*. You can increase the chances of an agreement just by adding the word "because".

- Something that's popular always seems more attractive. Use *social proof* by presenting a list of happy clients, high demand for a product, etc.

- Surveys sent with a $1 note received a much higher response rate than those sent with a promised incentive of $50. That's because people feel obliged to reciprocate when you give a *unilateral concession*. This works even for small/token concessions, e.g. meeting at their preferred time/place or buying coffee/snacks.

- Use *reference points* to make an offer/request look reasonable, e.g. a $100 warranty looks small compared to a $2,000 computer.

Use these strategies to counter others' attempt to influence you:

KEY QUOTES

"People seem to prefer finding money in installments but losing money in one lump sum."

- *Prepare in advance*. Know your interests, BATNA, ZOPA, etc. so you're less likely to accept an unfavorable offer.
- Use a *scoring system* to help you evaluate offers more objectively.
- Deliberately *separate information from influence*.
- *Rephrase their offer* in other terms, e.g. change a loss-frame to a gain-frame to see if it still sounds as attractive.
- *Appoint a devil's advocate*.
- Don't negotiate under *time pressure*.

Overcoming Blind Spots in Negotiation

Be mindful of these common blind spots in negotiations:

- Often, *parties who're absent* from the negotiation table (e.g. regulators or rivals) can affect the outcome.
- Your counterpart may be using *different decision rules* that you're unaware of.
- There may be *information asymmetries* that put the less-informed party at a disadvantage. For example, you may think you got a great deal for a used car because you're unaware of its major problems.
- Don't focus so much on your proposal that you overlook *your competitors' strengths*, nor focus narrowly on the immediate outcomes to neglect the *big picture* and longer-term implications.

Expand your focus/awareness to consider all factors in play. Learn from past negotiations, and get a team to help you with research/preparation for important negotiations.

Addressing Lies/Deception and Ethical Dilemmas

It's possible to be ethical without being taken advantage of.

KEY QUOTES

"For most negotiators, the decision rules of other parties lie outside the bounds of awareness."

"The best defense against lies and deception is to eliminate your counterpart's temptation to lie."

Most people admit to lying at some point in negotiations. People are less likely to lie if they don't feel the need to, or if they believe they can't get away with it. To minimize lies and deception:

- Use *defensive strategies* to discourage deception:

  (i) Look prepared and show that you're able to obtain information to verify their data/claims.

  (ii) Ask questions that're less direct or threatening so they won't feel the need to lie.

  (iii) Build trust. Demonstrate openness and honesty, volunteer information and don't lie.

- Improve your ability to *detect lies*:

  (i) Reduce information asymmetry with multiple sources of info.

  (ii) Set a trap: ask a question (for which you already know the answer and they have reasons to lie) to see how they respond.

  (iii) Ask more questions so it's hard for them to lie consistently.

  (iv) Watch out for evasive responses.

  (v) Use contingency contracts to protect yourself for contentious issues.

- *Remove your own need/desire to lie*:

  (i) Consider the cost of your reputation and relationship.

  (ii) Prepare for tough questions so you won't be caught offguard. Refuse to answer sensitive questions, or offer to answer a different question, e.g. "I can't share our cost figures, but I can explain our production process and pricing model to assure you that you're getting value for money."

  (iii) Remove the constraints or incentives that tempt you to lie, e.g. don't respond under time pressure.

KEY QUOTES

"Someone must take the first step, and it may as well be the one who is aspiring to become a negotiation genius."

"Information asymmetry makes you vulnerable to deception."

"Most people do not like to lie, but they are usually very comfortable with you being deceived."

"Lies are not only potentially unethical; they are also, very often, poor strategy."

If you catch the other party lying:

- *Don't call them a liar*. Explain that you feel misled, and give them a chance to clarify.
- You can subtly *warn them* that their data seems "outdated" and your sources indicate a different number. Or, directly *confront them* by stating your disappointment with the misinformation.
- Decide if you wish to continue negotiating or *walk away*.

Most of us unknowingly make incorrect or self-serving statements. Be mindful of the situations where *anyone*—yourself included—may **behave unethically**.

- *Conflicts of interest* are common in negotiation. For example, a deal that maximizes a real-estate agent's earnings may not be one that serves the client's best interest. Always verify the info/advice or ask them to justify the recommendations.
- We may be unconsciously influenced by *implicit assumptions and stereotypes*. For example, we may we assume that people of a certain race, gender, industry or negotiating style will think/act in a certain way, so we respond in a biased way.
- A deal can create value for both parties at the *expense of third parties* absent from the negotiating table, e.g. 2 companies agreeing to increase prices and pass the costs to consumers.
- We tend to *overclaim credit* or our "fair" share of rewards, without stopping to consider others' contribution.

Negotiating From a Position of Weakness

At some point, you'll have to negotiate with few/no good alternatives. When negotiating from a position of weakness:

- Don't reveal that your BATNA is weak. Instead, *play up their weakness and your own unique traits*. In the earlier example, Roosevelt's campaign manager was in a weak position since the photos were already printed. However,

KEY QUOTES

"It is often tempting—but not always judicious—to retaliate quickly when you feel you have been deceived."

"The one who fares better is the one who makes the other side's weakness more salient throughout the negotiation."

he focused on the photographer's weak BATNA (i.e. he'd lose a one-in-a-lifetime opportunity without a deal).

- Give multiple proposals to explore *other variables* that may be of value/interest to your counterpart. If you have other deals where you're in a stronger position, you can also *negotiate across your whole portfolio*.

- Use the time between deals to *nurture the relationship* and understand the client's needs/interests. Bypass the agents by sending a copy of the proposal to the client, or propose a PSS to add more value after you're selected.

- If your position is truly weak, it may be better to *relinquish your power* and ask for their help instead.

If all else fails and you're being bullied by the other party, try disrupting the power balance:

- *Build coalitions with other weak parties* to increase your strength.

- Point out that if they push too hard, they could destroy you and *lose a value-creating partner*.

- *Attack their source of power*. Before confronting a powerful salesperson who holds 70% of your accounts, weaken his position by building relationships with those clients and locking them into long-term contracts.

When Negotiations Turn Ugly

Negotiations can break down due to 5 problems:

- *Irrationality*: Don't assume that the other party is being unreasonable. Try to uncover the hidden causes behind their behavior, e.g. they may be misinformed or have other hidden constraints/interests.

- If *distrust* is an obstacle, diagnose the problem first (e.g. whether they distrust your character or competence, and why). Then, identify ways to rebuild trust.

- When the other party is *angry*:

KEY QUOTES

"If you can't outmuscle the other side in a negotiation, you may want to stop flexing your muscles and, instead, simply ask them to help you."

"If you create value for others, you gain at least some power to claim value for yourself."

"In most cases, behavior that appears to be irrational has a rational—albeit hidden—cause."

(i) Acknowledge their anger and seek to *understand why*, e.g. "You seem to be angry. Can you share what's on your mind?"

(ii) *Sidestep the attack* and stay calm. Consider how you'd feel if you were in their shoes.

(iii) Refocus on their *real interests*. Ask: "What would you like to see happen?" or "What could help us to move forward?"

- When the other side resorts to *threats and ultimatums*:

  (i) Ignore the threat by shifting to another topic;

  (ii) Pre-empt additional threats by voicing their concerns and your willingness to help them resolve it.

  (iii) Politely point out if their threat isn't credible or viable.

- Help them to back down without *losing face*. For example, if they clearly need to reduce the price further after issuing an ultimatum, you can say something like, "I realize you're doing us a favor by reducing the price beyond what's normally permissible. I really appreciate that."

You shouldn't negotiate at all when:

- The costs of negotiation (including the value of your time, or the harm to a relationship) exceed the potential gains;
- Everyone knows that your BATNA sucks;
- Negotiation is inappropriate for the culture or context (e.g. negotiating a pay raise in the midst of a crisis); or
- There's no ZOPA, i.e. your BATNA exceeds their best possible offer.

Other Details in the Book to Look Out for

This book provides the negotiation strategies and tools that can be applied to virtually any scenario. However, becoming a

KEY QUOTES

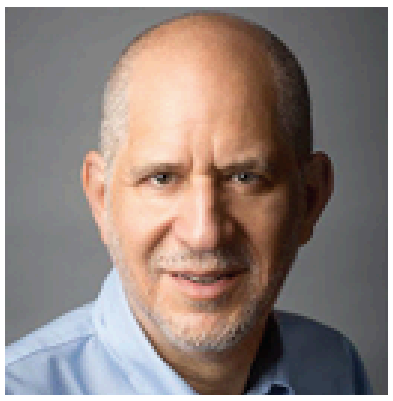
"If you can sidestep the attack, you will avoid the hit, retain your balance, and remain in control of the situation."

"Unless the other side is able to save face…they may be very reluctant to change their perspective or their behavior."

negotiation genius takes time and continuous practice. The key is to keep taking small steps and making incremental improvements. Besides the insights in this summary, the book includes various case-studies and examples to help you understand how the principles and techniques can be applied in real-life. For more details, please visit http://www.negotiationgenius.com/.

About the Authors

Deepak Malhotra is an American economist, focusing on negotiation strategy, international and ethnic dispute resolution, and competitive escalation. He is currently the Eli Goldston Professor of Business Administration at Harvard Business School.



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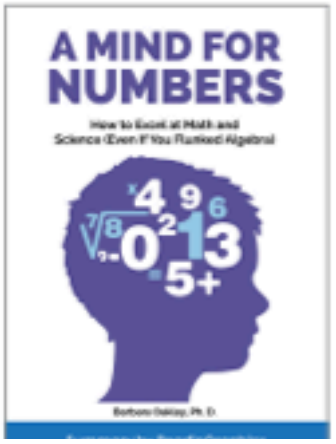


A MIND FOR NUMBERS

How to Excel at Math and Science
(Even If You Flunked Algebra)

BARBARA OAKLEY, PH.D

The Big "So What"

This book explains powerful learning concepts and techniques to help you improve in math, science, and virtually any topic/area in life. The insights are relevant for students and learners of all ages who wish to learn better, faster and deeper.

Introduction

As a child, Oakley disliked math and science because she couldn't grasp the technical details. After she started work, she realized that those inadequacies were limiting her career opportunities. So, she decided to rewire her brain and teach herself to get good at math and science. The more progress she made, the more she started to enjoy the subjects and the better/faster she learned.

Oakley is now a professor of engineering, and actively researches different areas ranging from engineering to humanities and social sciences. In this book, she shares learning insights from scientists, educators, students, famous inventors (such as Thomas Edison and Richard Feynman), as well as her personal experiences. In this summary, we've organized the key ideas into 2 parts:

- How the brain works; and
- Strategies, concepts and ingredients for learning.

KEY QUOTES

"If you've ever wanted to become better at anything, this book will help serve as your guide."

"My success reinforced my desire to practice, and that built more success."

"What you discover will help you be more effective and creative, not only in math and science, but in almost everything you do."

Understanding How Your Brain Works

Your brain is capable of handling complex mental calculations and problems. Each day, you're already making countless unconscious decisions involving distances, speed, and quantities. To get better at math and science, you must learn how your brain works so you can use it to learn faster and deeper.

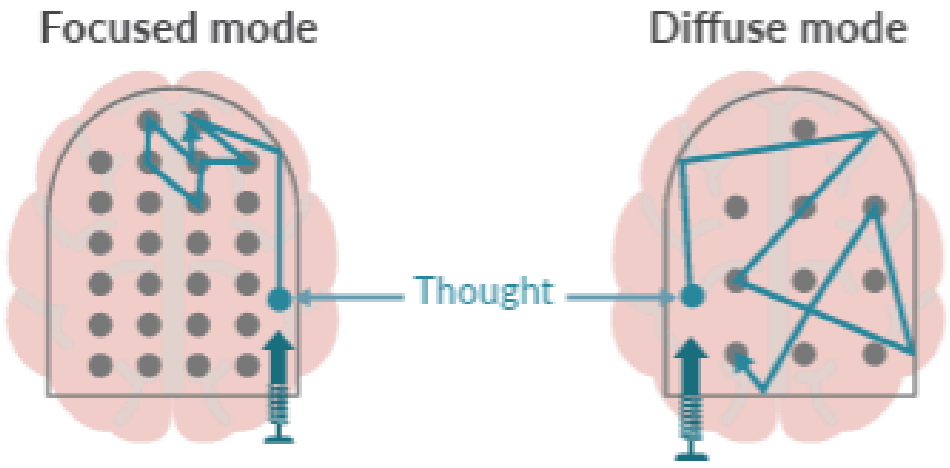
Focused vs Diffused Thinking

Neuroscientists found that our brain switches frequently between 2 sets of thought processes: focused thinking and diffused thinking.

- The *focused mode* concentrates your prefrontal cortex (which handles logical, analytical thinking) to consciously target a specific issue. It's like shining a strong beam of flashlight in the dark, and is great for deep work or execution.

- The *diffuse mode* occurs in a more relaxed state. Your mind starts to wander, picking up scattered thoughts and ideas from different parts of the brain, and combining them creatively to arrive at fresh insights. This often happens in the background without your conscious awareness.

- When your brain releases a thought, it's like a ball being released into a *pinball game*.



(i) The *focused mode* is great for things that you're familiar with. The concepts are already tightly-connected in your mind—like a pinball game with bumpers close together—so the ball bounces rapidly between the bumpers.

KEY QUOTES

"We all have a natural feel and flair for math and science. Basically, we just need to master the lingo and culture."

"Most difficult problems are solved through intuition, because they make a leap away from what you are familiar with."

(ii) The *diffuse mode* is better for big-picture thinking when you're exploring new or unfamiliar concepts. The bumpers are further apart so the ball travels a longer distance, allowing you to explore new ideas or approaches.

In short, the diffuse mode allows you to quickly scan for new inputs, while the focused mode allows you to get things done. We need both modes of thinking to learn and survive.

- However, you can't apply both modes concurrently. You can only *toggle repeatedly between the 2 modes*: scan for data → process/integrate it → scan for more data/ideas.

- To *learn math and science*, you need the focused mode to analyze a problem rationally and sequentially, and the diffuse mode to grasp abstract concepts like integrals or electric currents.

The 2 Key Memory Systems

Learning involves 2 key memory systems: your short-term and long-term memory. These are like your computer's random access memory (RAM) and hard-drive.

- Your *short-term memory* or working memory holds whatever information you're processing consciously. It has a limited capacity, and can hold about 4 main clusters of information at any point in time, like a juggler who can keep only 4 balls in the air.

- Your *long-term memory* is like a warehouse that can store huge amounts of material. However, it can be hard to find a parcel of information in a room filled with parcels. To keep the memories accessible, you need to revisit them occasionally.

To learn effectively, improve your memory and how you transfer information from the short-term to long-term memory.

Learning Strategies, Concepts and Ingredients

In this section, we'll explain various interconnected concepts about learning, and how they can be applied to math and science.

KEY QUOTES

"To learn about and be creative in math and science, we need to strengthen and use both the focused and diffuse modes."

Distributed Practice

Math and science are best learned in small daily doses so your brain has the time to absorb and internalize what you've learned. When you're learning something new, it's crucial to alternate between focused and diffused thinking. This is also known as "distributed practice", i.e. taking breaks between learning sessions instead of doing mass-learning.

- *Start with the focused mode*. Study intensely about the subject, then relax or do something totally different, e.g. take a nap, listen to music, exercise, play video games, or check your emails.

  (i) In the diffuse mode, you seem relaxed but your brain is still working in the background to synthesize ideas and generate fresh insights. That's why creative ideas often pop up after a break.

  (ii) However, you can't create something out of nothing. Start with focused learning to provide "raw materials" for your brain to work with.

- *Pause just long enough* for your brain to stop thinking about the problem consciously, but not so long that you forget what you've learned. If you're learning something new, always return to the materials within a day.

- Famous inventor *Thomas Edison* was known for taking regular naps. When he was stuck with a tough problem, he'd take a nap with a ball bearing in his hands. As he fell asleep (which meant that his brain had relaxed to a diffuse mode), the ball bearing would clatter to the floor and wake him up. Edison would then gather any new thoughts/ideas and continue his work.

Moreover, you need mental energy to focus. Without periodic breaks, you'll deplete your mental resources quickly.

- It's *similar to physical training*. If you lift weights non-stop, you'll exhaust or even injure your muscles. The best way to build muscles is to exercise intensely, then give your muscles time to recover and grow.

KEY QUOTES

"It's best to work at math and science in small doses—a little every day...That's how solid neural structures are built."

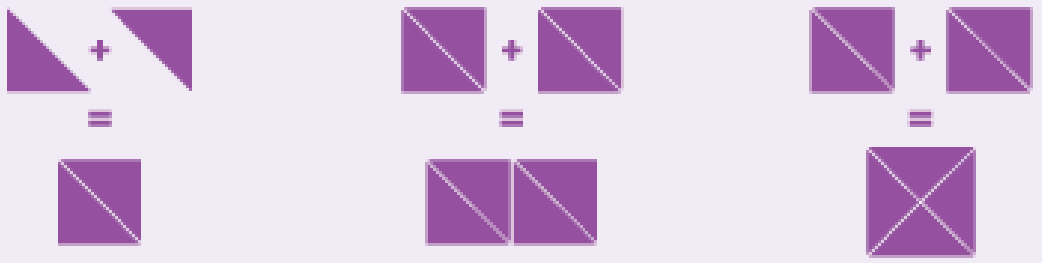
"Sometimes...your desire to figure things out right now is what prevents you from being able to figure things out."

4

- *Feelings of frustration* are a signal to shift to diffuse mode.

The Einstellung effect refers to our tendency to get stuck because we get fixated on a wrong approach or a flawed concept, thus blocking out better approaches or solutions.

Imagine you must use triangles to form squares:



If your mind is locked onto this pattern...

...you may replicate the same pattern...

...instead of seeing a different approach

- When dealing with new or complex problems, don't latch on to a solution too quickly. Study the problem in detail, then *step back* to see the big picture. You can blink or close your eyes to momentarily disconnect from the problem in front of you.
- *Check your work and assumptions*. Rushing ahead with a wrong calculation or assumption will only slow you down.
- *Brainstorm with others* to uncover blind spots, erroneous thinking or assumptions. Be prepared to unlearn old concepts in order to learn new ones.

Chunking and Practice

To get good at math and science, you must grasp the concepts, equations/formulas, then recall and apply them to different types of problems. This requires both memory and understanding.

Chunks are bits of information that are connected by meaning. For example, the word "sum" comes from the letters "s", "u" and "m". To do a "golf swing" you must string together a series of steps from positioning yourself to moving your arms, torso, and hips.

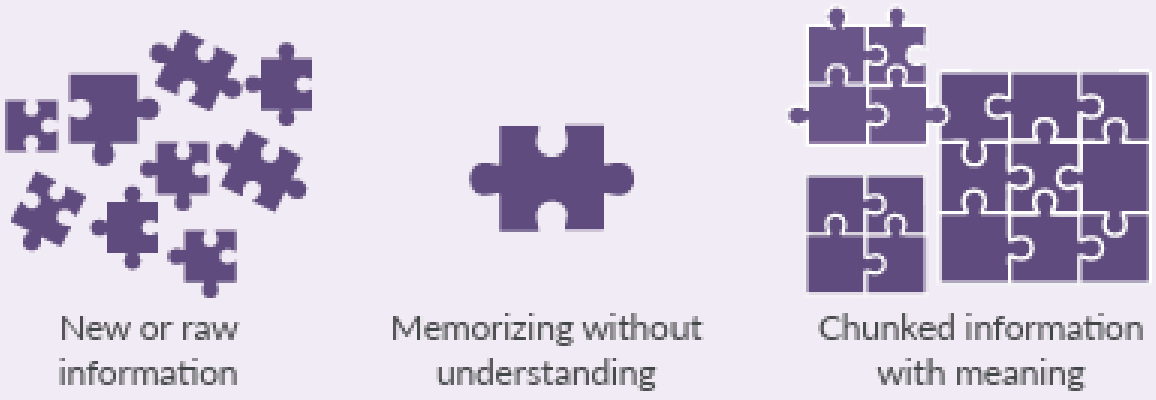
KEY QUOTES

"Focused attention...can often help solve problems, but it can also create problems by blocking our ability to see new solutions."

"You have to unlearn your erroneous older ideas even while you're learning new ones."

- When you're learning something new, you must *dissect each component*, which makes it effortful. For instance, to play the piano, you must learn the notes of the keyboard, the correct fingering, and how to read the music score.

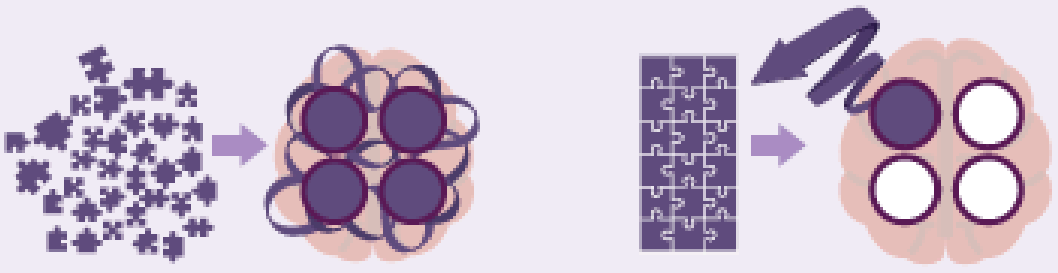
- With enough practice, your brain forms *neural patterns or conceptual chunks* so you no longer need to remember every detail. When you think of "playing the piano", your brain pulls out a chunk of information instead of separate components.



Chunking frees up your available working memory.

- Initially, each *loose piece of information* takes up a part of your working memory. This maxes out your short-term memory, which can only hold about 4 clusters of information.

- When you *condense the information into 1 chunk*, it (i) frees up the other 3 clusters of working memory, and (ii) creates a string of ideas so it's easier to link to other ideas.



The more you practice chunking, more easily and intuitively you can solve problems because (i) you have a larger library of mental chunks, (ii) each chunk contains more data (or a longer "string of data"), and (iii) it's easier to connect between chunks. Each new math/science concept builds your mental scaffold until you can intuitively solve problems at a glance.

Generally, chunks are built in 3 steps:

KEY QUOTES

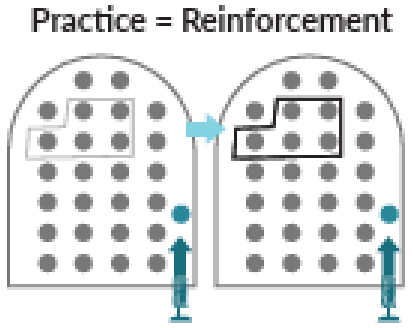
"Chunking...is the mental leap that helps you unite bits of information together through meaning."

"Practice helps build strong neural patterns—that is, conceptual chunks of understanding."

- Remove all distractions to *focus fully* on the material.

- *Understand the basics*, e.g. the concept of atoms or how to solve a specific type of math problem.

- Keep practicing to reinforce the neural pathways. Apply the insights across different situations until you *gain context and see the big picture*. At this point, you will know:



  (i) How to use a method in different scenarios (*bottom-up chunking*); and

  (ii) Where a chunk fits in the big picture, i.e. when a method will or won't work (*top-down chunking*).

Initially, you must practice at least daily to reinforce a new pattern/chunk before it fades away. Once you've grasped the concept, you can refresh the idea every few weeks, then every few months or years.

- The *bigger your library* of chunked concepts and solutions, the more easily you can solve new problems.

- Repeatedly using an incorrect method can build *wrong chunks*, so make sure you check your work to get it right from the start.

- If you're *stuck*, ask someone for their inputs or do some generic research (e.g. who invented that method and why). The new inputs and perspectives can help you to see things differently and develop your chunks.

The more effort you put into learning the material, the more deeply it gets embedded in your memory. To accelerate chunking, use retrieval practice (i.e. recall or mental retrieval).

- *Don't just passively reread* your material. Instead:

  (i) After each page or chapter, look away and *recall* the key points; or

  (ii) Used *spaced repetition*, i.e. wait for some time before you reread the material. As you walk into your classroom, try to recall the key ideas from the last lesson.

KEY QUOTES

"In some sense, recall helps build neural hooks that you can hang your thinking on."

"Context is where bottom-up and top-down learning meet."

"A key to building mental flexibility and expertise is to build your library of chunked solution patterns. This is your rapid-access data bank—always handy in a pinch."

"The more you do it, the easier it becomes, and the more useful it is."

- Be selective in what you highlight or mark in your texts. Highlight/mark no more than 1 sentence per paragraph, and ideally *summarize the ideas in your own words* in the margin.

- *Rewrite your lecture notes* each evening to reinforce the new chunks being formed, or to uncover gaps to be filled. Writing by hand facilitates learning more than typing.

- Try to *solve the problems on your own* before checking the answers. The more deeply you think about the problem, the more you strengthen the associated neural networks.

When you are building a chunked library, it helps to tackle the toughest aspects using deliberate practice.

- First, *work on 1 problem repeatedly*:

  (i) Work on the problem on paper without referring to notes or answers.

  (ii) Rework the problem, paying attention to your processes.

  (iii) Take a break or do something totally different.

  (iv) Rework the problem just before bed. Listen to your intuition.

  (v) The next day, rework the problem again. By now, it should seem relatively effortless. Just focus on the parts that you find challenging.

- *Choose another problem* and repeat the steps above. The more problems you work on, the more chunks you build in your mental library.

- Practice *active repetition*: review the problems mentally while you're doing something active (e.g. walking or exercising). This improves your ability to recall the solutions anytime, anywhere.

Once you've grasped the basics, you can improve by overlearning or interleaving.

- *Overlearning* means to keep learning/practicing something until it becomes automatic. This is useful for perfecting a piano piece or a tennis swing.

KEY QUOTES

"A little bit of work on something that feels painful can ultimately be very beneficial."

"Once you start working on a math or science problem, you'll notice that each step you complete signals the next step to you."

"A library of these chunks gives you an understanding of fundamental concepts in a way nothing else can."

- For math and science, it's more useful to use *interleaving*, i.e. do a mix of problems that involve different strategies or approaches.

  (i) Focus on 1 topic for some time, then shift to a totally different topic. Alternatively, open to a random page of the book and start working on a problem there.

  (ii) Prepare index cards with questions on one side and solutions on the other. Shuffle the cards and test yourself with random questions involving different approaches. Initially, do this at a table and write down your solution by hand before you review the answer. Once you're confident, you can review the cards anywhere (e.g. when you're out for a walk) to strengthen the chunking effect.

To understand and internalize complex or abstract math/science ideas, seek to **simplify and personalize** them.

- Formulas and equations are merely ways to abstract and simplify concepts. Like poetry, the numbers and symbols hold layers of deeper meaning. Try to understand the math/science equations so thoroughly that you can *see them in your mind's eye*. For instance, a physicist doesn't merely see the symbol for "mass"; he sees and senses the inertia of, say, a huge boulder.

- To grasp a complex concept, look for *simple explanations or analogies*. When you can break down a complex idea into its core elements, you'll have a much deeper understanding of it.

  (i) Einstein used to imagine himself as a photon moving at the speed of light and how other photons might perceive him. Charles Darwin imagined himself explaining an idea in the simplest terms to a stranger.

  (ii) Imagine yourself explaining the concept to a 10-year old—how could you express it in the simplest possible way?

Learning doesn't happen in a straight line. Sometimes, you must **step back to step forward**. After a period of learning, you may suddenly feel confused because your mind is synthesizing the material and restructuring your knowledge. You'll usually emerge from the confusion with a leap in understanding.

KEY QUOTES

"Testing is itself an extraordinarily powerful learning experience."

"There are hidden meanings in equations, just as there are in poetry."

"Simple explanations are possible for almost any concept, no matter how complex."

"The learning process is all about working your way out of confusion. Articulating your question is 80 percent of the battle. By the time you've figured out what's confusing, you're likely to have answered the question yourself!"
—Kenneth R. Leopold

Improving your Memory

When you first learn or notice something, it's stored in your working memory. To move it to your long-term memory, you must repeat the idea and make it memorable.

- Instead of rote memorization, use all 5 senses to *create neural hooks* to "hang" your ideas. For example, you'll remember a pig more clearly if you see, feel, hear and smell one (instead of merely seeing the word "pig"). Use the memory tricks and techniques below to tap into your brain's huge visual and spatial memory.

The "memory palace technique" is about anchoring key concepts visually to a familiar scene, such as your home or the journey to work.

- The key is to link an idea with a *memorable image*. For example, you can use a memory mnemonic to remember the sequence of minerals from the softest to the hardest: In front of the house, there's a Toad (talc) carrying a Giant (gypsum) which is holding a Can of Coke (calcite). You step through the Front door (fluorite) to see an Alligator (apatite) in the living room, playing the Organ (orthoclase). In the dining hall a Queen (quartz) is spinning a Top (topaz), eating Cheese (corundum) and sitting on a Deer (diamond).

- Once the images are vividly lodged in your mind, you can recall the sequence easily. Vivid, unusual and funny images leave the biggest impressions.

You can also use music, tunes and rhymes to remember formulas and equations. Search online for "quadratic formula" and "song" for existing samples, or make up your own!

Metaphors and analogies help to connect a new idea to an idea that we're already familiar with, making it easier to understand or recall. For example, you can explain electrical currents by comparing it to flowing water.

Use spaced repetition with all 5 senses to better encode ideas in your long-term memory. For instance, you can hand-write the symbol for density (ρ) on 1 side of an index card and write the key information (e.g. "measured in standard units of kilograms

KEY QUOTES

"Memory tricks allow people to expand their working memory with easy access to long term memory."

"One of the best things you can do to not only remember but understand concepts in math and science is to create a metaphor or analogy for it—often, the more visual, the better."

per cubic meter") at the back. As you do so, say it out loud and imagine a heavy 1m-by-1m luggage. Look at the symbol and recall what you know about ρ. Once you can do it without peeking at the back, put the card away. Revisit the card a few days later, then extend the period between each review.

Create meaningful groups to connect unrelated items:

- *Acronyms*: To remember the 4 plants to ward off vampires (GRHM—Garlic, Rose, Hawthorn, Mustard) think of a GRAHAM cracker.
- Associate numbers with *memorable events*, e.g. your birthday.
- String separate concepts into a *memorable story or sentence*. For example, the sentence "King Henry died while drinking chocolate milk" can help you to remember the decimal system (Kilo=1,000; Hecto=100; deca=10; while=1; deci=0.1; centi=0.01; milli=0.001).

Exercise regularly as it helps with neural growth and connections, thus improving your memory and learning abilities.

Overcoming Procrastination

Learning math/science is like laying a brick wall. You need brief periods of focused study to lay the neural bricks, with some time in between for the mortar to dry. Procrastination hinders learning since: (i) it leaves you with no time to explore or synthesize the concepts, and (ii) it's harder to absorb new material when you're stressed.

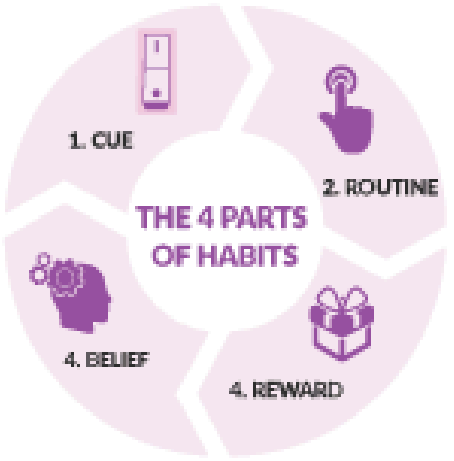
Procrastination is a keystone bad habit that affects all aspects of your life.

"Procrastination is a single, monumentally important 'keystone' bad habit."

- We procrastinate to *avoid anticipated discomfort*. Paradoxically, the more you put off something, the more painful it becomes when you eventually do it. You also start to lose confidence in yourself over time.
- Habits involve *4 parts*: A cue sparks a routine automatically, which gives you a reward that leads to certain beliefs about yourself or your habits. For instance, the sight

KEY QUOTES

of your math homework (cue) may prompt you to start playing video game (routine). This offers temporary pleasure/relief (reward) and you start to think you can never learn to like math (belief), or create excuses (e.g. "If I study too early I'll forget what I learn").



- To *change a habit*, you must reprogram your response to the cue or avoid the cue altogether.

  (i) Track your daily activities for 1-2 weeks. Each time you fail to finish what you intended, identify the procrastination routine and the cue(s) that trigger it.

  (ii) Make a plan to break the routine and establish a new one, e.g. leave your phone in the car and do your math homework in the library where there're no distractions. Do 25 minutes of focused work using the Pomodoro technique (details below), then reward yourself immediately with something you enjoy.

  (iii) The goal is to train your brain to anticipate a reward at the end of your new routine. Over time, you'll become better at what you do and start to enjoy it more.

  (iv) Build supportive beliefs by hanging out with positive people with a "can-do" mindset.

The Pomodoro technique is one of the best procrastination fixes:

- Find a quiet environment, remove all distractions (e.g. turn off your phone, web browsers, and email prompts), and set a timer for *25 minutes*. Work on 1 task with 100% focus until the time is up. Then, reward yourself immediately.

  (i) Make sure you work on *1 task at a time*. Don't multitask as you'll be diluting your attention.

  (ii) After each session, *reward yourself* with a break or something you enjoy, e.g. surf the web or play a video game.

- To get in flow, *focus on the process, not the output*. Don't worry about finishing a task. Just work with full

KEY QUOTES

"Procrastination can be like taking tiny amounts of poison. It may not seem harmful at the time. But the long-term effects can be very damaging."

"Focus on the process (the way you spend your time) instead of the product (what you want to accomplish)."

concentration for 25 minutes without stress or judgment, and you may be amazed by how much you can accomplish.

- Break down your long-term goals into *bite-sized pieces* so you can tackle them in short intense bursts, one day at a time.

  (i) List down the key tasks you wish to accomplish each week.

  (ii) Each evening, select a few key items you can reasonably tackle the next day. This gives your brain some time to figure out how to get things done.

  (iii) Start each day with the most important or difficult task while you're still fresh.

You may be hyper-productive when you're stressed or in flow, but it's not sustainable. To avoid burnout, plan for both work and rest/play.

- Use a *calendar* to schedule time in advance for your daily tasks.

- Plan your *stop time* (e.g. 5pm each day). Then, make sure you stop work once you finish your list or reach the stop-time, so you have time to relax and rejuvenate.

- Include *play time* after your focus sessions and at the end of each day. This gives you something to look forward to, and helps to reduce procrastination.

Procrastination isn't always bad, and there are benefits to waiting.

- Math experts (professors and graduate students) take 45 seconds longer on average to think about a problem before solving it. Novices (undergraduates) tend to rush in after only 30 seconds of thinking. Take some time to *pause and reflect* before taking action. This gives your brain time to access its library, see the bigger picture and connect chunks of ideas/ information.

- Prepare a list of problems you wish to solve in advance. If you know you're procrastinating, write down the equation(s) required for the easiest problem and carry it around with you. This allows your mind to work on the problem in diffuse mode while you're procrastinating, transforming it into "*positive procrastination*".

KEY QUOTES

"It's important to transform distant deadlines into daily ones."

"Staying in the zone too long will send you toward burnout."

"Planning your quitting time is as important as planning your working time."

"Planning your life for 'playtime' is one of the most important things you can do to prevent procrastination."

"Just as focused attention isn't always good, seemingly nasty habits of procrastination aren't always bad."

Use these additional tips to motivate yourself:

- *Hold back all rewards* and dish them out only when you've have finished a task/session.
- Place your list of tasks somewhere visible, and *check off the items* as you complete them. Celebrate every achievement.
- Surround yourself with pictures that remind you of your *goals or desired future*.
- Everyone has *bad days* when they feel negative about work or themselves. If you ignore those feelings and do the work anyway, the feelings will disappear on their own.

To get started, identify a task that you've been procrastinating on, break it down into smaller parts, and start tackling the first piece. Test out the tips/approaches above to find out what works for you.

Redesign your Brain and Build your Confidence

Your brain and mental capacity are not fixed. You can change your brain by changing how you think. The more you practice something, the more chunks and neural highways you build, and the easier it is to learn and solve problems.

- Each chunk of knowledge helps you to *build new chunks*, e.g. knowledge of living cells helps you to study biological evolution.
- You can also *transfer chunks of knowledge*, e.g. once you know how to learn math and science, you can use the knowledge to learn virtually anything.

What matters isn't how smart you are, but how you train your mind to learn in a deliberate and consistent way. Many science and math "geniuses" actually did badly in school and succeeded in spite of it.

- *Learn at your own pace*. Set aside enough time to study complex materials, and do lots of deliberate practice to build the right foundation.

KEY QUOTES

"Accomplishing a lot of difficult tasks is like eating a salami. You go slice by slice—bit by bit. Cheer every accomplishment, even the tiniest ones."

"Persistence is often more important than intelligence. Approaching material with a goal of learning it on your own gives you a unique path to mastery."

- *Take responsibility for your own learning*. Don't rely on your teachers to instruct or motivate you. Ask questions to deepen your learning, do your own research and practice, and seek inputs/advice from others.

- *Embrace failures and mistakes* as a part of the learning process and a chance to learn something new.

Use these tips to prepare for your tests and exams.

- *Prepare well in advance*:

  (i) *Do your homework right*: understand the text and solutions, discuss and check the solutions with your classmates, and try to solve every problem on your own.

  (ii) *Prepare well*: seek help if required, participate actively in homework group discussions, and do all the tests in the study guides. Organize your study materials neatly so you can review them quickly just before a test/exam.

  (iii) Use mini-tests (such as using recall and flash cards) to accelerate chunking.

- *During a test*:

  (i) Use the "hard-start-jump-to-easy technique": Start with the hardest question first, but move on quickly after 1-2 minutes if you get stuck. Tackle the easier questions next so you can get as much covered as possible while your brain continues to work on the tough problems in the background.

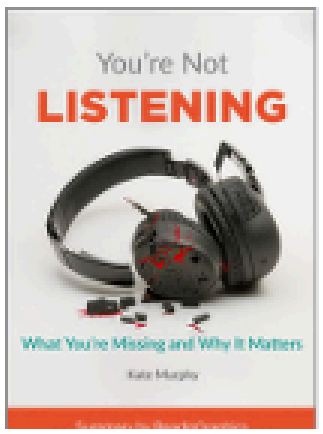
  (ii) Occasionally look away to shift your attention before returning to check your answers.

  (iii) If you feel panicky, reframe the situation by telling yourself, "I'm excited to do my best!" Alternatively, breathe deeply and slowly to calm yourself down.

- Most importantly, *get enough sleep* before the test, or it will negate all your hard work. When you sleep, the brain flushes out toxins, consolidates knowledge/memories into chunks, works on tough problems and finds meaning in what you're learning. It also rehearses and reinforces what's important and prunes away what's trivial. A lack of sleep reduces your ability to think, focus, understand new concepts, and hurts your long-term health.

KEY QUOTES

"I have not failed. I've just found 10,000 ways that won't work."
—Thomas Edison



YOU'RE NOT LISTENING

What You're Missing and Why It Matters

Kate Murphy

The Big "So What"

In this book, Kate Murphy shares research, stories, and actionable tips, to show the importance of listening, why we often fail at it, and how we can become better listeners. This is not a technical how-to guide, but a book to transform how you see and connect with people around you.

Introduction

Good listening isn't inborn; it comes with practice. Anyone can learn to listen well, foster awareness, connection and understanding.

- Murphy's profession as a journalist requires her to listen to others, yet she felt her listening skills were not up to the mark. So, she spent 2 years researching the biomechanics and neurobiology of listening. Along the way, she interviewed accomplished individuals to learn how they define, perceive, and practice listening.

- This book captures her findings in 17 chapters with inter-connected themes and ideas.

In this summary, we've distilled the insights into 2 key sections:

- What is listening and why it matters; and
- Mastering the art of genuine listening.

KEY QUOTES

"Listening is more of a mindset than a checklist of dos and don'ts."

"It is only by listening that we engage, understand, connect, empathize, and develop as human beings."

Part 1: What is Listening and Why It Matters

What is Listening and How it Works

Listening is an active, multisensory process where sound waves are received by our ears, interpreted by our brains, and further contextualized by visual and other non-verbal cues.

- Effective listening requires that you *engage all your senses*, setting aside your own agenda, biases, assumptions, and distractions.
- It involves a *2-way exchange* where you open your mind, listen beyond words to discern emotional nuances, contexts, and intentions, and demonstrate your interest and understanding.
- *Signs of bad listening* include: interrupting, giving unrelated responses, appearing distracted, or fidgeting constantly.

The Neuroscience of Listening

Listening is a multisensory phenomenon, not an auditory one.

- When we listen to people, our brain processes not just the words, but also the *pitch, tone, rhythm*. Just consider the number of ways you can say the word "Sure".
- In a conversation, we interpret sounds along with *other sensory cues*. For example, lip-reading contributes up to 20% of our comprehension, and non-verbal cues (e.g. expressions and body language) carry >50% of a message.
  - (i) If you're not looking at someone when they speak, you'll miss a chunk of the message.
  - (ii) In remote communication, videos are better than voice calls, which are in turn better than texts or email.

We use different parts of the brain depending on how we receive or interpret the message.

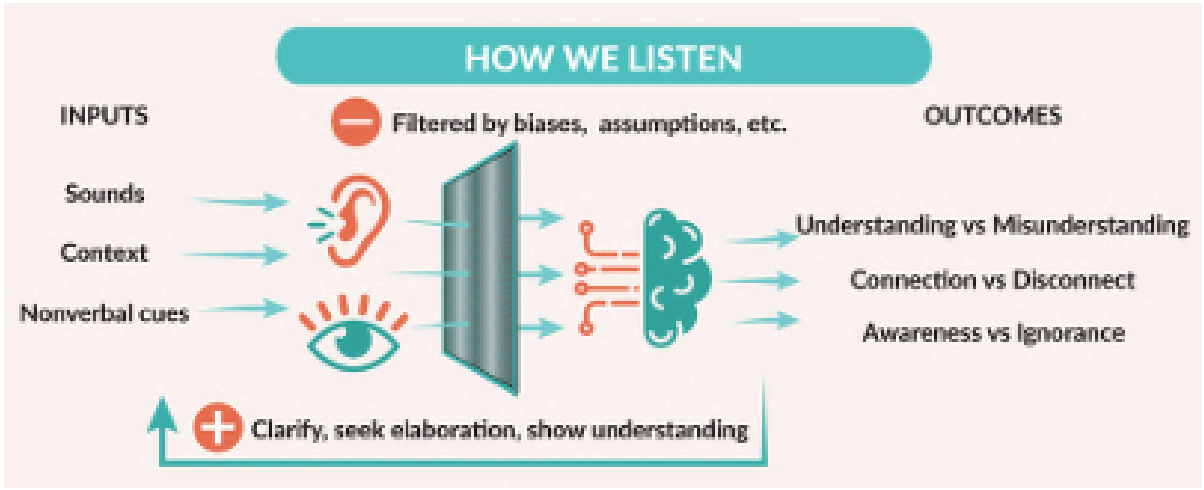
KEY QUOTES

"To really listen is to be moved physically, chemically, emotionally, and intellectually by another person's narrative."

"Listening is intricate and multisensory."

- *Biases and prejudices* literally block out parts of the message.

- Our brain also processes info differently depending on *which ear* receives it. Generally, the right ear is more attuned to emotions while the left ear is more attuned to facts and language. If someone tilts their right ear towards the source, they're probably subconsciously trying to focus on the speaker's emotional intent.



The attachment theory suggests that our ability to listen and connect is shaped during early childhood.

- Children with attentive caregivers are likely to grow up to become more empathetic listeners, while those with inattentive caregivers may struggle with genuine connections later in life.

- The good news is, you can develop healthy listening habits as an adult, regardless of your childhood experiences. All it takes is awareness and effort.

Why Listening Is Important

Listening is essential for building meaningful relationships. Without listening, we cannot understand other human beings.

- At a *personal level*, it affects our ability to be a good friend, parent, or partner.

- At a *professional level*, it affects our ability to understand our colleagues, serve our customers, or sell anything.

Listening is also essential for learning and personal growth. Through listening, we learn about others and ourselves. A keen listener can often help others to articulate the thoughts/

KEY QUOTES

"Evolution gave us eyelids so we can close our eyes but no corresponding structure to close off our ears. It suggests listening is essential to our survival."

"To listen poorly, selectively, or not at all is to limit your understanding of the world and deprive yourself of becoming the best you can be."

"People get lonely for lack of listening."

feelings they hadn't been able to express themselves. When someone listens intently to you, it also encourages you to listen deeply to yourself.

Real listening and connection (or a lack thereof) have tangible effects on our physical, mental and emotional well-being. Active listening combats feelings of loneliness and isolation, which are linked to a host of health issues like heart disease, dementia, depression, and anxiety.

A lack of real listening amplifies conflict and misunderstandings, hurts relationships, and contributes to our current epidemic of loneliness and disconnect.

- We live in a digital age where people appear more "connected" via technology. In reality, the opposite is true—people are feeling more detached and isolated. After interviewing people from diverse backgrounds, Murphy found that *most people feel unheard*. Many are resorting to professional services like counseling or coaching just to find someone who will listen attentively to them.

- Research suggests a direct correlation between unhappiness and *screen time*. This could explain why Generation Z is more likely to feel lonely, isolated, and even suicidal, compared to older generations.

- According to the World Health Organization, *suicide rates* have increased 45% globally in the past decade, with depression and the lack of meaningful connections as key contributors.

Online options like social media do not create real connections.

- In online communities, *the vast majority of users are passive*. Only 1% of participants contribute to the bulk of the content, creating a skewed picture of what people truly feel or believe.

- About 15–60% of social media accounts are either *fake or created by bots*. This means that a large chunk of social media interactions are not even from human beings.

- The most active users are *not truly interested in two-way communication*. They usually aim to broadcast their messages, seek validation, or gain followers/likes/shares. Social media content also tends to be either unrealistically positive or excessively negative.

KEY QUOTES

"Truly listening to someone is a skill many seem to have forgotten or perhaps never learned in the first place."

"We are too busy, or too distracted, to explore the depths of one another's thoughts and feelings."

4

Part 2: Mastering the Art of Genuine Listening

In this section, we'll address the barriers to listening and how to overcome them to become a great listener.

Avoid The Assumption Trap

Assumptions and biases can block communication and understanding.

- We unconsciously use *social signals and stereotypes* to make snap judgments about others. We may gauge others' social status based on the clothes they wear, the schools they attend, the cars they drive, etc.

  (i) Knowing someone's biography or persona (e.g. vegan, democrat) isn't the same as understanding them as a person.

  (ii) Brain scans show that labels and stereotypes can shut down parts of our brain and filter out information that don't fit our preconceptions.

- People in intimate relationships (e.g. married couples, parent-child) often suffer from the "*closeness-communication bias*". They over-estimate how well they can predict the other person's thoughts and feelings, leading to miscommunication. In reality, studies show that partners in a relationship may not understand each other better than strangers.

- Misunderstandings usually occur because *we assume people think like us*, when they don't. Even if you share the same native language, you might interpret the same words or expressions differently, e.g. the word "original" could mean different things to 2 individuals. The potential for misunderstanding multiplies once you add in differing native languages, backgrounds, and personal values/beliefs.

Remember: you can never truly know someone else's mind.

- Evolutionary psychologist Robin Dunbar suggested that we can only manage up to 150 meaningful relationships at a time (*Dunbar's Rule*). Within these, only a handful are deeply

KEY QUOTES

"It's all too easy to get complacent about how well you know those closest to you, just as it's hard not to make assumptions about strangers based on stereotypes."

"No matter how well we try to listen, or how close we feel to another person, it's important to remember we can never really know another person's mind."

It's perfectly fine to say "I need some time to process this" or "I'm not sure what to say."

Manage Distractions

Today, many of us are addicted to our digital devices, such that we're exhibiting similar patterns as substance abuse.

- We *compulsively reach for our phones* whenever we feel bored, or even when we're in the middle of a social engagement. We impatiently switch between tasks, messages, and media channels, and abandon a website if it takes just a few seconds to load.

- Our attention can be further diluted by *ambient distractions*, such as open office setups, noisy restaurants, or the hum of the TV.

A diminished attention span has serious implications.

- We may get so habitually distracted that we can no longer concentrate deeply on any task, or even think deeply. This *impedes creativity and deep work*.

- *Our listening faculties also suffer*. During conversations, our eyes and minds wander habitually. The mere presence of a phone on the table (even if it's silenced) can cause a sense of disconnectedness, leading to dull and unfulfilling conversations, which in turn increases the chance of our attention drifting.

Pick a quiet, distraction-free environment for your conversations. This signals your commitment to listen, and allows you to focus fully on the interaction. Even the simple act of having device-free meals as a family has been found to improve connection.

Listen for Nuances and Underlying Messages

Listening is more than hearing the words or literal content of what's being said. Good communicators exhibit "conversational sensitivity" to detect emotional undertones, nuances, and hidden meanings.

KEY QUOTES

"Device dependency has many of the same behavioral, psychological, and neurobiological components as substance abuse."

"It's hard to concentrate on what's happening in the real world when you're preoccupied with what could be happening in the virtual one."

- This is not an inborn talent, but a skill that comes from practice and listening to lots of people. Good listeners can discern verbal and nonverbal cues to figure out: "*Why are they telling me this?*"

- Retired hostage negotiator Gary Noesner says that the key to successful negotiations is simply to listen and respond empathically. Often, hostage-takers and mass-shooters are just people who feel extremely depressed and alienated. Once they feel heard and understood, *even the tensest situations can be de-escalated*.

Pay attention to every detail. For example, the radio show *Fresh Air* enlists 3 producers just to review and dissect each interview, and properly capture every nuance and detail.

- You can *do some homework* in advance to learn about them, or ask questions to understand where they're coming from.

- If something seems off, *seek clarification* by saying something like: "I was confused about what you said about X. Can you elaborate?"

- The best con artists can hone in on their victims' hopes and fears not because they're talented listeners, but because they're more motivated to listen well. Conversely, people get deceived because they don't listen carefully enough. It all boils down to *motivation and practice*.

Support (not Shift) the Conversation

Keep the attention on the speaker, instead of redirecting the conversation to yourself.

- According to sociologist Charles Derber, we can respond to others in 2 ways:

  (i) *Support responses* focus on the speaker, validating their feelings or experiences, and encouraging them to elaborate.

  (ii) Shifting responses redirect the conversation away from the speak to the listener. This may be done out of self-centeredness, or to avoid discomfort.

KEY QUOTES

"Intuition…is nothing more than recognition. The more people you listen to, the more aspects of humanity you will recognize, and the better your gut instinct will be."

"Everybody is interesting if you ask the right questions. If someone is dull or uninteresting, it's on you."

"It takes awareness, focus, and experience to unearth and understand what is really being communicated."

"Inner dialogue fosters and supports cognitive complexity, that valuable ability to tolerate a range of views, make associations, and come up with new ideas."

Embrace uncertainties and complexities. Accept that you might be wrong—or at least not completely right.

- Instead of seeing things in absolutes or black-and-white, learn to *accept conflicting ideas and shades of gray*. By embracing and connecting diverse viewpoints, you open up new ways of thinking, to bring fresh insights and creative solutions.

- You can listen with an open mind without agreeing with the other person. Often, there are *multiple truths* leading to a larger truth—the more perspectives you consider, the more robust your understanding.

Listen to the Pauses and Silences

Most people feel uneasy with silences during conversations. Often, we rush to fill the gap, or start talking before the other person has finished speaking.

- Generally, people tend to be more comfortable with long silences if they feel *secure* about themselves or their relationships.

- There are also *cultural differences* around silence. In some cultures (e.g. in Japan or Finland), it's a sign of respect and consideration to pause before responding.

Silence can convey much more than words.

- Good listeners wait patiently and *read the pauses and silences*. By keeping quiet, they also encourage others to share more information, which can be an advantage in sales or negotiations.

- *Give people the time/space* to gather their thoughts or feelings, consider their response, or make a decision. You'll end up gathering better information while avoiding impulsive comments you might regret.

Practice intentional silence to cultivate patience and awareness.

- Try being silent for *24 hours*. You'll probably find yourself becoming more aware of the sounds and subtle cues around you (which you'd have missed if you were talking).

KEY QUOTES

"We only become secure in our convictions by allowing them to be challenged."

"To listen does not mean, or even imply, that you agree with someone…Good listeners know understanding is not binary."

"Resisting the urge to jump in makes it more likely you will leave conversations with additional insight and greater understanding."

"To be a good listener is to accept pauses and silences."

"You get so much more out of interactions when you allow people the time and space to gather their thoughts."

facilitator may interrupt anyone mid-sentence and ask someone else to pick up the thread, forcing people to pay close attention.

(ii) Or, members may be asked to mimic their partner's words, expressions and movements. This requires them to connect deeply and sync up physically and mentally.

- During such sessions, it's common for people to show off, hold back, or disrupt the process. Instead of chastising such behaviors, use the chance to *uncover underlying issues* that are blocking listening and collaboration, such as insecurities, the fear of being vulnerable, or the need for control.

Listen to your Inner Voice

Listening to yourself is as important as listening to others.

- *We talk to ourselves all the time*. We judge, analyze, scold/ praise ourselves, and hold internal arguments. Our inner voices are so impactful because they seem louder than external voices.

- Our internal dialogues often *mirror the external voices* we're exposed to. Our thoughts and perspectives tend to reflect those of friends, family members, or media personalities. These in turn affect how we interact with others. For example, if you're used to blaming and criticizing yourself, you're more likely to blame and criticize others.

Pay attention to your inner tone and messages:

- Replace the voice of a critical parent or negative friend with the voice of a *nurturing* counsellor or a respected coach.

- Read widely and *listen to a diverse range of people* to broaden your perspectives, enrich your inner dialogues and cognitive capabilities.

Listening in Gossip and Research

Gossip is often viewed negatively. However, when done with a discerning ear, it can be a useful social tool.

KEY QUOTES

"Connectedness is necessarily a two-way street, each partner in the conversation listening and latching on to what the other said."

"How you talk to yourself affects how you hear other people... our inner dialogue influences and distorts what other people say and thus how we behave in relationships."

- Much like how apes groom each other for social bonding, humans use gossip for *social bonding and learning*. Through gossip, we learn about group dynamics and social norms/values. By talking about shared acquaintances/events, we learn from others' experiences, and figure out what behaviors are rewarded or rejected by others.

- The key is to *listen attentively* to discern nuances and detect false or malicious information.

In an era of Big Data—where the focus is increasingly on numbers and statistics—we still need **keen listening and qualitative data**.

- Quantitative data can give us a broad picture, but it cannot explain human emotions, preferences, habits, or motivations. Moreover, you can't build sound statistical models or algorithms without understanding the issues/people being represented by the data. To *explain the "why" behind the "what"*, we still need qualitative research.

- For *example*, Betty Crocker's cake mix wasn't selling well even though it was so easy to use—you just had to add water. Qualitative research found that homemakers felt guilty using the cake mix because it was *too* effortless. Once the formula was tweaked to require home-cooks to add water and crack in some eggs, sales increased significantly.

- Good qualitative research draws out people's real thoughts, inclinations, and emotions. This in turn requires *active listening and neutrality* on the part of the researcher.

Know When to Stop Listening

Active listening can be mentally and emotionally taxing. It's not sustainable all the time, even for close relationships. Good listeners consciously **choose when to listen and when not to**.

- If you're feeling *too exhausted or distressed* to listen, it may be better to stop the conversation and resume when you're in a better condition to listen and connect.

KEY QUOTES

"Listening...is not only how we learn to be virtuous members of society, it is in itself a virtue that makes us worthy of the most valuable information."

"Even in the era of abundant data, we need to listen to get to understanding."

"Information is only as useful as how it's collected and interpreted."

"You get to decide how much effort you want to put in and when you've had enough."

"Listening is your gift to bestow. No one can make you listen."

- It may also be better to stop listening if you truly *cannot get on the same wavelength* as the other party. This could be due to a lack of reciprocity, circular conversations that go nowhere, or toxic/abusive relationships.

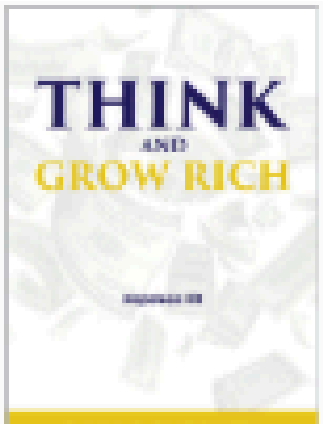
Other Details in the Book to Look out For

How well or badly you listen can decide whether you end up with understanding or misunderstanding, strengthening or hurting a relationship. The book is packed with research references and anecdotes of Murphy's interactions with writers, researchers, show producers, psychologists, hostage negotiator, coaches, and other personalities. For more information, please visit www.journalistkatemurphy.com.

About the Author

Kate Murphy is a Texas-based journalist whose has written for The New York Times, The Economist, Agence France-Presse, and Texas Monthly. She covers a wide range of topics including health, technology, science, design, art, aviation, business, finance, fashion, dining, travel, real estate, and is best known for her work on the science behind human interactions.

KEY QUOTES



THINK & GROW RICH!

HOW TO MASTER SUCCESS CONSCIOUSNESS

Napoleon Hill

The Big "So What"

"This book was written for those who seek the rules which have made others successful, and are willing to stake everything on those rules."

This book was written by Napoleon Hill after more than 20 years of research on the accomplishments and attributes of 500 of the most successful people in business. Between 1937 until Napoleon Hill's death in 1970, the book sold over 20 million copies, and continues to be a best-seller even today. The book can be considered the grandfather of personal development books. Hill's ideas have been expanded upon and developed by many other authors and famous personal development icons worldwide. The book sets out 13 timeless principles for success that are still valuable after almost 80 years.

Introduction

Hill begins his book with the idea that "thoughts are things", and when combined with purpose, persistence and desire, can translate into riches or other material successes. You become and achieve what you think about all day long.

Principle 1: Desire

This is the first and most important step towards riches. Hill stresses that desire is not just a wish or a hope. It must be a "burning desire", such that it is a "consuming obsession", backed by definiteness and persistence.

KEY QUOTES

"When you begin to think and grow rich, you will observe that riches begin with a state of mind, with definiteness of purpose, with little or no hard work".

"When riches begin to come they come so quickly, in such great abundance, that one wonders where they have been hiding during all those lean years".

"Man can create nothing which he does not first conceive in the form of an impulse of thought."

Desire

"Wishing will not bring riches. But desiring riches with a state of mind that becomes an obsession, then planning definite ways and means to acquire riches, and backing those plans with persistence which does not recognize failure, will bring riches".

Hill outlines **6 steps to achieving your desire,** to be applied with the other 12 principles:

1. Fix in your mind the exact amount of money you desire.
2. Determine exactly what you will offer in return for that money.
3. Select a definite date to possess the money.
4. Create a definite plan and implement it immediately.
5. Summarize steps 1-4 by writing down a clear statement of the amount of money you will acquire, the date for its acquisition, what you will give in return, and your plan for accumulating it.
6. Read this statement aloud twice each day, just before going to bed and first thing when you wake up. When reading, you must "see, feel, and believe" that you are already in possession of that money.

Principle 2: Faith

We are not ready to receive something until we believe that we can acquire it. Faith can be developed, and the way to do so is to repeatedly (and with belief) affirm and visualize the attainment of our desire (see the concept of auto-suggestion).

Have faith that you only thought of your desires because they are meant for you to accomplish, so you can definitely attain them. In addition:

- Emotions help to "magnetize" your thoughts. Once magnetized and mixed with faith, thoughts start to translate into their physical equivalent, i.e. manifest in to reality. Hence, we need to affirm or visualize with feeling, as if we were already in possession of what we are asking for.
- The subconscious mind does not differentiate between positive or negative thought impulses, and will translate them equally readily into physical equivalents. Hence, if you hold negative beliefs (such as "bad luck"), you can likewise create your own misfortune.

KEY QUOTES

Faith

"There is a difference between WISHING for a thing and being READY to receive it. No one is ready for a thing, until he believes he can acquire it. The state of mind must be BELIEF, not just mere hope or wish."

"Thoughts which are mixed with any of the feelings of emotions, constitute a "magnetic" force which attracts, from the vibrations of the ether, other similar, or related thoughts. A thought thus "magnetized" with emotion may be compared to a seed which, when planted in fertile soil, germinates, grows, and multiplies itself over and over again, until that which was originally one small seed, becomes countless millions of seeds of the same brand."

Principle 3: Auto-Suggestion

Auto-suggestion is where we put the sub-conscious mind to work for us, through repeated self-suggestions that involve the 5 senses. What we affirm has no impact unless it is mixed with emotion. Hence, you should apply auto-suggestion in conjunction with the 6 steps mentioned earlier, including concentration, feeling and faith in each step:

1. Find a quiet place (e.g. in bed at night), where you can close your eyes and repeat aloud your statement .
2. When reading, concentrate on visualizing the definite amount of money you desire, to the point you can see and feel it in your possession. In the same token, see and feel yourself delivering the intended product or service.
3. Place the written statement where you can see it. Read it every night and morning until you have memorized it and can picture clearly the money and the plan you desire. When your subconscious mind accepts it as a fact, it will find ways to bring it to life.
4. The plans may appear as flashes of inspiration. Make sure you act on it immediately. "Failure to do this will be fatal to your success."

Principle 4: Specialized Knowledge

Knowledge in itself is only potential power and does not generate wealth. It only becomes power if and when it is "organized into definite plans of action, and directed to a definite end."

You require specialized knowledge of the product, service or niche that you intend to serve, so you can offer something of value in return for riches. Rather than work with what you know, Hill suggests that you identify the specialized knowledge you need, and then seek to acquire it.

KEY QUOTES

Auto-Suggestion

"Your subconscious mind recognizes and acts upon ONLY thoughts which have been well-mixed with emotion or feeling."

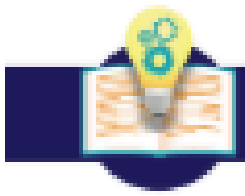
"Your ability to use the principle of auto-suggestion will depend, very largely, upon your capacity to concentrate upon a given desire until that desire becomes a burning obsession."

Knowledge

"Knowledge will not attract money, unless it is organized, and intelligently directed, through practical plans of action, to the definite end of accumulation of money."

Some possible ways to acquire specialized knowledge are:

- Personal experience and education
- Others' experience and education (through a Master Mind group)
- Colleges and universities
- Public libraries
- Specialized training courses

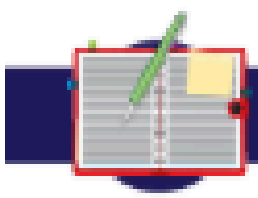


Principle 5: Imagination

Imagination is needed to combine specialized knowledge with ideas, to give form to desire, and create the necessary action to bring riches.

There are two forms of imagination - synthetic imagination (arranging concepts, ideas or plans into new forms) and creative imagination (equivalent to "sixth sense", with hunches and intuition that come through connection with Infinite Intelligence).

The imaginative faculty (both synthetic and creative) are like muscles – they grow stronger with use and weaker with inaction. For converting desire to money, we will rely primarily on synthetic imagination. The greatest leaders in the world leverage on creative imagination (see 6th sense).



Principle 6: Organized Planning

You should create your plans with the help of a Master Mind group:

- Form a Master Mind group: connect with as many people as required for the creation and execution of your plan.
- Decide what to offer (monetary or other benefits) to the Master Mind members in return for their cooperation.
- Meet with Master Mind members at least twice a week, until you have jointly perfected the plan(s).
- Maintain total harmony with Master Mind members.

KEY QUOTES

Imagination

"The desire ...is given shape, form, and action through the aid of the imaginative faculty of the mind."

Organized Planning

"No individual has sufficient experience, education, native ability, and knowledge to insure the accumulation of a great fortune, without the cooperation of other people."

You can create the plans, but the details should be checked by members of the Master Mind group for feedback and approval before implementation. If your current plan fails, you should keep replacing it with a new one until you find a plan which works.

To acquire riches, it is important to become a leader in your field. You may start as an intelligent follower, and can learn efficiently from your leader to develop your own leadership qualities. Hill highlights the changing nature of leadership and explains 11 qualities of leaders of the future:

1. Unwavering courage
2. Self-Control
3. A keen sense of justice
4. Definiteness of decision
5. Definiteness of plans
6. The habit of doing more than paid for
7. A pleasing personality
8. Sympathy and understanding
9. Mastery of detail
10. Willingness to assume full responsibility
11. Cooperation

He also provided 10 major causes of failures in leadership, a range of tips to position and market yourself in your career, 30 reasons why most people fail, and a self-assessment questionnaire. Hill also shares the "QQS formula" (Quality, Quantity and (positive) Spirit of service) which affects your ability to market yourself effectively.

Principle 7: Decision

Successful and wealthy people have one thing in common – "the habit of reaching decisions promptly, and of changing these decisions slowly, if, and when they were changed". The reverse holds true for those to fail to accumulate money.

These people are able to reach decisions promptly and stand by their decisions because they have definite purpose, backed by strong desire and faith. According to Hill, indecision is a habit. It develops in youth, and gains permanence over time, without

KEY QUOTES

"Temporary defeat should mean only one thing, the certain knowledge that there is something wrong with your plan..... Build other plans. Start all over again."

"Decide at the outset whether you intend to become a leader in your chosen calling, or remain a follower. The difference in compensation is vast."

"The relationship of employer and employee, or of leader and follower, in the future, will be one of mutual cooperation, based upon an equitable division of the profits of business."

Decision

"Procrastination, the opposite of decision, is a common enemy which practically every man must conquer."

"Tell the world what you intend to do, but first show it."

definiteness of purpose. Courage is equally important to put the decisions to action. Hill cautions against talking too much and listening or doing too little. "Genuine wisdom is usually conspicuous through modesty and silence", and he advises that we use more of our eyes and ears, and less of our mouths.

Principle 8: Persistence

Persistence is built on will-power; it is what keeps you going in face of hurdles, and produces the sustained effort required to generate faith. Persistence as a state of mind is a function of several factors: desire, self-reliance, definiteness of plans, accurate knowledge, cooperation, will-power and habit.

There are several ways to strengthen your level of persistence:

- Have a definite purpose, backed by burning desire
- Have a definite plan and act on it continuously
- Close your mind to all negative or discouraging influences
- Develop an alliance with people who will encourage you to follow through with your plan and purpose.

As Hill points out, applying the 13 principles of this book, and following through with the 6 steps provided is in itself the first test of your persistence. The good news is, every adversity and failure "brings with it a seed of an equivalent advantage."

Principle 9: Power of the Master Mind

Power is required both for the accumulation and retention of money. It requires "organized effort" of at least two people working in harmony, toward a definite goal.

We can acquire knowledge from various sources, including infinite intelligence, accumulated experience, experiment and research). However, to convert that knowledge to power, you must assemble it into definite plans and take concrete action, which is hard to achieve on your own.

KEY QUOTES

Persistence

"There may be no heroic connotation to the word "persistence", but the quality is to the character of man what carbon is to steel."

Power

"Power may be defined as organized and intelligently directed knowledge."

Master Mind

"The coordination of knowledge and effort, in a spirit of harmony, between two or more people, for the attainment of a definite purpose."

Hill suggests that for great wealth and success, Masterminding is crucial. Master Mind is the "coordination of knowledge and effort, in a spirit of harmony, between two or more people, for the attainment of a definite purpose."

There are 2 features underlying the Master Mind principle:

- Economic: The advice and cooperation by people who support your goals whole-heartedly and in harmony bring direct economic advantages.
- Psychic: This is a spiritual, abstract benefit. Hill likens the human brain to batteries - a group of brains connected in harmony will provide more thought-energy than a single brain, and this increased energy becomes available to every brain in the group. In creating this "third mind", the group becomes more than the sum of their parts.

In other words, when two or more people coordinate harmoniously toward a definite purpose, they place themselves in a position to absorb the power from Infinite Intelligence, which is "the greatest of all sources of power."

Principle 10: The Mystery of Sex Transmutation

Transmutation refers to the changing of one form of energy into another. Of all human desires, sex is the most powerful, and can stimulate great drive, imagination, persistence, courage and creative ability etc. Such desire or energy can be harnessed and redirected away from physical expression to other forms, including the accumulation of riches.

Hill states that "sex transmutation will lift one to the status of a genius", and explains why this is so:

- What separates a genius from an ordinary man is his "sixth sense", which comes from the use of his creative imagination. This involves increasing his thought vibrations to the point where he can receive ideas that otherwise cannot be received.

KEY QUOTES

"No two minds ever come together without, thereby, creating a third, invisible, intangible force which may be likened to a third mind."

Sex Transmutation

"When driven by this desire, men develop keenness of imagination, courage, will-power, persistence, and creative ability unknown to them at other times."

"Love, Romance, and Sex are all emotions capable of driving men to heights of super achievement... When combined, these three emotions may lift one to an altitude of a genius".

- A mind stimulant is any factor that can temporarily or permanently, increase one's thought vibrations. Sex is the most powerful mind-stimuli that can elevate men into a higher plane of thought. Other common stimulants include: love, a burning desire, music, friendship, master mind alliance, mutual suffering, auto-suggestion, fear, narcotics and alcohol.
- On its own, sex energy may be uncontrollable or even destructive. However, it becomes balanced and constructive when mixed with emotions of love and romance, and the barriers between the finite mind of man and Infinite Intelligence are removed.

Essentially, successful men are often highly sexed, and harness this energy for the fulfilment of their definite purpose.

Principle 11: The Sub-Conscious Mind

The sub-conscious mind is the bridge to Infinite Intelligence. Here, every thought that reaches our objective mind through our 5 senses is classified, recorded, and can be retrieved at will. The sub-conscious mind has several characteristics:

- It works day and night, and it receives and files all impressions and thoughts, positive or negative, true or false.
- You can't fully control it, but you can voluntarily plant in it any plan, thought, or purpose.
- It will act first on the dominating desires which are "magnetized" with emotions, and translate them into their physical equivalent.
- All 13 principles in this book act as stimulus for you to reach and to influence your subconscious mind. Since it can only be directed through habit, the process will take time.

Positive and negative emotions are mutually exclusive in your mind. Hence, when giving instructions to your sub-conscious mind, draw on positive emotions and avoid the negative ones. 7 of the key positive emotions include: desire, faith, love, sex, enthusiasm, romance and hope. 7 of the key negative emotions include: Fear, jealousy, hatred, revenge, greed, superstition, anger.

KEY QUOTES

The Subconscious Mind

"The subconscious mind is the connecting link between the finite mind of man and Infinite Intelligence. It is the intermediary through which one may draw upon the forces of Infinite Intelligence at will."

"Positive and negative emotions cannot occupy the mind at the same time. One or the other must dominate. It is your responsibility to make sure that positive emotions constitute the dominating influence of your mind."

"Sometimes men speak lightly of the intangibles--the things which they cannot perceive through any of their five senses, and when we hear them, it should remind us that all of us are controlled by forces which are unseen and intangible."

Principle 12: The Brain

Our brains are like broadcasting stations, constantly broadcasting and receiving thought vibrations. To operate our stations, we use the 3 principles of the Subconscious Mind, Creative Imagination and Auto-Suggestion, using Desire to put them into action:

- The sub-conscious mind is the "sending station" of the brain: When we mix feeling with thoughts, we pass them to our sub-conscious mind, and it broadcasts them to ether.

- Our Creative Imagination acts as the "receiving station" of the brain. We receive our creative Ideas in the form of hunches or inspiration, which come from Infinite Intelligence, one's sub-conscious mind, or the mind of another person (who released the thought consciously or subconsciously).

The greater the vibration for receiving, the more open our brain is to external signals. These vibrations can be increased through emotions and having more people in a Master Mind group.

Principle 13: The Sixth Sense

This last principle "can be assimilated, understood, and applied only by first mastering the other twelve principles", by those who meditate and develop the mind from within. Through the sixth sense, you can access Infinite Intelligence naturally, without effort or demand.

Through your creative faculty, ideas, plans and thoughts are received in the form of hunches or inspiration. With sixth sense, you will be notified of impending dangers to avoid, potential opportunities to leverage, and have access to the Temple of Wisdom at will.

KEY QUOTES

The Sixth Sense

"The sixth sense defies description! It cannot be described to a person who has not mastered the other principles of this philosophy, because such a person has no knowledge, and no experience with which the sixth sense may be compared."

Outwitting the Ghost of Fear

To successfully Think and Grow Rich, we must prepare ourselves by eliminating the 3 negatives of indecision, doubt and fear, which are mutually reinforcing. Indecision forms doubt, and the two combine to become fear. Because the combination process is slow, it is likely for the negatives to germinate and grow without our awareness.

Hill lists the 6 basic fears that limit most people, provides the symptoms to identify them, and the solutions to address them. The 6 fears are: Poverty, Criticism, Ill Health, Loss of Love, Old Age and Death.

Other Useful Details in the Book to Look Out For

The book is filled with illustrations and examples of how the world's greatest people accomplished the seemingly-impossible through the 13 principles. Hill reinforces his key messages and ideas in various ways throughout the book, and shows repeatedly how each step or principle is inter-woven with the rest. Re-reading the materials and examples after you have applied the concepts will likely bring a new depth of understanding.

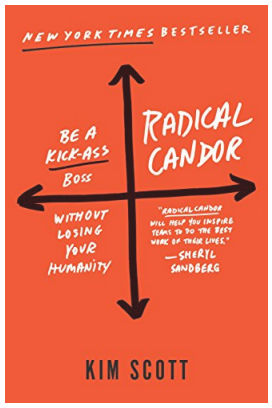
Having said that, Hill stresses time and again that the 13 principles must be understood and applied in entirety. He repeatedly assures the reader that the habits take time to forge, but with repeated use, the 13 steps will eventually yield riches.

KEY QUOTES

Fear

"Fears are nothing more than states of mind. One's state of mind is subject to control and direction."

"Man's thought impulses begin immediately to translate themselves into their physical equivalent, whether those thoughts are voluntary or involuntary."



RADICAL CANDOR

Be a Kick-Ass Boss
Without Losing Your Humanity

KIM SCOTT

The Big "So What"

Great bosses can retain talent and deliver superior results, while bad bosses do the opposite. Most bosses are worried they aren't doing a good job, yet they're afraid to seek help. This book explains how you can become a kickass boss to build sound relationships, achieve results, and create a better workplace.

Introduction

"Bosses" in this book refer generically to all supervisors, leaders and managers. After years of working with top companies in Silicon Valley (such as Google and Apple) and running her own businesses, Scott realized that what sets great bosses apart from bad ones is their ability to build good relationships that keep people happy and challenged. Scott calls this "Radical Candor". In this summary, we'll outline the philosophies and techniques to apply this framework.

A New Management Philosophy

Bosses achieve results not by doing everything themselves, but by guiding a team to do so. Thus, they must excel in their own work and 3 key areas:

- Guidance: soliciting and offering constructive feedback, and encouraging feedback between people;
- Team-building: putting the right people in the right roles and keeping them motivated; and
- Results: managing your team members to deliver results.

KEY QUOTES

"I hope that these ideas will help you find your own way to be a better boss, have more success at work, and make the world a little happier."

"Too many good people become bad bosses, and bad bosses are a major source of unhappiness in our world and dysfunction in our workplace."

"At the very heart of being a good boss…is a good relationship."

"Guidance, team, and results: these are the responsibilities of any boss."

"Your ability to build trusting, human connections with the people who report directly to you will determine the quality of everything that follows."

Building Trusting Relationships

As a boss, your relationships with your direct reports have a huge impact on them and the people they lead. Mutual trust with your direct reports creates a virtuous cycle of constructive feedback, strong teams and results. Radical Candor builds trusting relationships by working concurrently on 2 dimensions:

Care personally. Bring your whole self to work, and care about each of your team members as whole persons with lives and aspirations beyond their work. To do this, you must debunk 2 myths:

- *Myth #1: To be professional, you must hide your feelings*. Radical Candor is about allowing your direct reports to know you as a person (with hopes and vulnerabilities) and making it safe for others to do the same.

- *Myth #2: Bosses are superior*. A "boss" is merely a role; it does not define your value or how smart you are.

Challenge directly. Learn to give/receive feedback, make tough decisions and uphold high standards. People may get upset at times, but trust and understanding are eventually built and people feel safe to challenge one another.

Giving/Receiving Guidance

These 4 quadrants summarize how we tend to give guidance/feedback. Note that they represent *behaviors*, not personalities, i.e. no one is an asshole or a saint *all* the time

Manipulative insincerity: you don't care enough to challenge someone directly, and only give feedback in a way that advances your interest, e.g. telling someone he's doing great so he won't quit while quietly planning to replace him. Such behaviors build distrust.

KEY QUOTES

"The relationships you have with the handful of people who report directly to you will have an enormous impact on the results your team achieves."

"Caring personally is the antidote to both robotic professionalism and managerial arrogance."

"Being a boss is a job, not a value judgment."

"If nobody is ever mad at you, you probably aren't challenging your team enough."

"You need to do that in a way that does not call into question your confidence in their abilities but leaves not too much room for interpretation…and that's a hard thing to do."
- Steve Jobs

Ruinous empathy: you withhold feedback to avoid conflict or to avoid making others feel bad. You're actually doing your team a disservice because people can't learn/grow if they don't know where they stand, and will eventually stagnate or even get fired. When you accept sub-par work, you also send a wrong message on what's acceptable and make other members bear the burden of the under-performer. This creates resentment and lower standards.

Obnoxious aggression: you criticize someone without first trying to understand them or showing that you care. In such cases, your feedback will seem arrogant and aggressive, and the other party is likely to get defensive or switch off. Patronizing or insincere praise can be as harmful as harsh criticism. The worst thing you can do is to deliberately target someone's vulnerability—this destroys trust and spreads toxic feelings.

Radical Candor: you give someone clear, honest feedback (be it a praise/criticism) for their benefit, and help them to understand how the feedback can help them to move toward their goals. This builds trust and understanding to pave the way for results.

KEY QUOTES

"Almost nothing will erode trust more quickly than using one's insights into what makes another person tick to hurt them."

Team: Understand People to Motivate Them

We tend to define ambition and potential in terms of people's desire and ability to move up the hierarchy. Instead, it may be better to **rethink ambition and potential** in terms of growth. In any organization, you'll find superstars and rock stars.

- *Superstars* desire a steep growth trajectory—they crave challenges and opportunities to grow and learn rapidly (though not necessarily get promoted).
- On the other hand, *rock stars* are solid and prefer a gradual growth trajectory—they may be people who've mastered their craft, love their work and won't be happy if they're promoted to other roles.
- You need both superstars and rock stars for a *blend of growth and stability.*

"To build a great team, you need to understand how each person's job fits into their life goals."

"Shifting from a traditional 'talent management' mind-set to one of 'growth management' will help you make sure everyone on your team is moving in the direction of their dreams, ensuring that your team collectively improves over time."

Growth management helps you to motivate individuals to deliver the best possible results based on what they want.

- It involves considering (a) the growth trajectory that each person wants to be on now, and (b) if/how you can match opportunities with their desires bearing in mind the team's overall needs. In short, you must know your direct reports well enough to identify the *perfect role* for each person at a specific time in his/her life.

- *Don't put permanent labels on people*. People shift between steep and gradual growth trajectories at various stage of their lives/career. Likewise, no one is always lousy or outstanding; they just happen to be performing poorly or well this quarter.

Managing Top Performers. Treat your rock-stars and superstars as partners. Focus on removing obstacles and giving them everything they need to perform and grow.

- *Managing Rock-Stars*. At certain phases in their lives, people may slow down due to family/health or to regroup/recharge. They can still grow rapidly as a whole person even if they're growing slowly in their career.

  (i) Develop *respect for people* on the gradual growth trajectory and recognize the stability they bring. Give *fair ratings* based on performance and contributions in terms of expertise, knowledge etc., not just leadership potential.

  (ii) Use *other forms of reward and recognition* besides promotion, e.g. a pay raise, bonuses, or giving them roles as go-to experts. They'll probably be much more effective as trainers/mentors than external parties.

- *Managing Superstars*. Superstars want opportunities to learn, grow and shine. Don't keep them in their current role just to make your work easier, or to hold them back so they won't "overtake" you. Instead, help them to achieve *their* dreams. Find people who can replace them and/or get them to teach others to do their job, so they can move on with minimal gaps.

Manage Middle/Poor Performers. Everyone is good at *something* and no one is a chronic B-Player. Yet, people often stay in a role that they're mediocre at because they don't want to

KEY QUOTES

"Only when you get to know your direct reports well enough to know why they care about their work, what they hope to get out of their careers, and where they are in the present moment in time can you put the right people in the right roles and assign the right projects to the right people."

"Recreation is essential for creation."

"Too many companies hire people for training whom they would never hire to do the actual job."

"Great management is important. But it's certainly not the only path to major impact."

"Raise the bar—there's no such thing as a B-Player."

start afresh, while bosses keep such people because they can't find a replacement or feel bad to remove the person.

- If someone is underperforming, you must first find out why so you can help them improve. There are *5 common reasons* why great people may be produce lousy work:

  (i) They're in a wrong role for their strengths.

  (ii) They're new to a job and lack training/clear expectations.

  (iii) They're facing some personal problems.

  (iv) They have the right skills/experience but the wrong culture fit.

  (v) They've changed and their roles no longer suit them.

- If someone's really not suited for a job, it's better to let them go so they can find better options elsewhere. Before *firing someone*, consider (a) if you have given Radically Candid guidance, (b) if/how the person's poor performance is affecting the rest of the team, and (c) if you've sought an objective opinion.

Driving Results Collaboratively

Use the **Get Stuff Done (GSD) wheel** to adopt a collaborative approach, involve your team in decisions and get buy-in for better long-term results. Don't skip any of these steps.

Listen to ideas that people have, and create a culture of listening. Create systems for staff to share ideas and complaints, define a budget for such issues and explain why certain issues aren't addressed. At meetings, ensure everyone gets to voice their views and listen to others.

Clarify: It's ineffective to try to solve a problem that has not been clearly defined.

KEY QUOTES

"Part of getting a good job is leaving a bad one, or one that's bad for you."

"Don't put people in boxes and leave them there."

"You'll get more done if you take the time to incorporate their thinking into yours, and yours into theirs."

"The essence of making an idea clear requires a deep understanding not only of the idea but also of the person to whom one is explaining the idea."

- Create a safe space to *nurture new ideas*, e.g. have 1:1 meetings to discuss ideas or give people time off to develop ideas. Don't insist that people only come to you with solutions. Instead, help them to clarify their thinking before they put ideas up for debate.

- Push yourself and your team to *clearly express* your thoughts and ideas. To present an idea in a clearly comprehensible way, the communicator must understand both the idea and the recipient.

Debate the ideas, polish and test them rigorously. As the boss, you shouldn't be in every debate, but you must create a culture of debate in your team.

- *Focus on ideas, not egos*. Step in if you see people protecting their ideas or trying to win an argument, instead of seeking facts to improve an idea.

- If everyone at a meeting agrees to something, make it mandatory for someone to offer a different view to *force dissent*.

Decide. With the earlier steps, your team is ready to make decisions based on facts, not subjective opinions. As the boss, you should not be making most of the decisions. However, occasionally get involved in the details to show nothing's too small for your concern.

Persuade those who haven't been involved so far, but are needed for implementation. You will need to (a) establish your *credibility* by humbly showing your track record, (b) address the listener's *emotional response* (e.g. fatigue, worry), and (c) show your work to illustrate the *logic* behind the idea (vs just explaining with words).

Execute. As the boss, you need to toggle between leading and executing. Don't waste time with unnecessary meetings or reports. To avoid getting too caught up in collaborative tasks, block off time for execution and get your hands dirty occasionally to get a good grasp of what's going on.

Learn from mistakes and start the GSD cycle again. Don't be afraid to change your mind in fact of new facts—explain the reasons for the change clearly and persuasively.

KEY QUOTES

"Debate takes time and requires emotional energy. But lack of debate saps a team of more time and emotional energy in the long run."

"Bragging doesn't work, but neither does false humility."

Tools and Techniques

Build Trusting Relationships with your Direct Reports

Center yourself. You can't lead well if you're struggling with your own issues.

- Seek *work-life integration* by bringing your best self wherever you go. See work as part of your self-expression and life-fulfillment, and see rest/family/personal time as part of improving work productivity.

- Find your own *unique formula* to stay centered (e.g. mix of sleep, exercise and/or time with loved ones). Commit time for such activities like how you'd show up for an important meeting.

Create the **right environment** where your team members also feel free to bring their best selves to work, but don't impose your values/ approach on them. Let them do what they're comfortable with.

Use your daily interactions at work to build relationships, so you can **minimize redundant social events** after work.

Master your emotions. Instead of trying to hide your emotions at work, *recognize your feelings* and let people know what you care about. Master how you react to *others' emotions*. When your direct reports react emotionally, don't second-guess the reason or tell them how they should feel; acknowledge their emotions (e.g. "I can see that you're upset"), ask questions and listen. If you're affected by them, it's ok to ask for a moment to recover and promise to return to the topic.

Giving/Receiving Guidance Effectively

As the boss, it may be awkward to get feedback. To **solicit feedback**:

- *Accept public criticism* so people feel safe to speak up. [Note: this applies only to you; team members should be criticized privately.]

KEY QUOTES

"Be relentlessly insistent on bringing your fullest and best self to work—and taking it back home again."

"Live your values. Don't try to list them like an HR exercise."

"It's fine to push yourself past your comfort zone, but not fine to make others uncomfortable."

"Sometimes, the greatest gift you can give your team is to let them go home."

- Use opening questions like “Is there anything I could do or stop doing to make it easier to work with me?” People are likely to claim that everything’s fine. *Persist until you get an honest response*, e.g. count to 6 and say, “surely there’s something I could do better at”. When people offer feedback, thank them and promise to work on it. Don’t defend yourself.

- When you *show that you’ve heard the criticism* and are taking action, people will be more likely to share in future. Even if you disagree, find something in the criticism you can agree with. Then, repeat what you’ve heard (to ensure you got it right), say you’d like to think about it and schedule a time to discuss it again.

- *Create systems* so that criticism feels natural. You can place a feedback box where anyone can drop questions or feedback and pick a few questions to answer during your all-hands meetings. Google holds “management fix-it weeks” where issues raised by staff are consolidated and addressed by assigned managers.

KEY QUOTES

Give **impromptu guidance** as you make the observations.

- *Be humble*. Realize that your opinions don’t represent reality.

  (i) *Situation-behavior-impact*. State the situation, the behavior you saw and the impact you observed. This makes your feedback more precise and less arrogant.

  (ii) *Left-hand column*. Divide a piece of paper into 2 columns. Think of a frustrating conversation and write down what you said on the right column, and what you thought in the left column. Notice how your assumptions affect your response.

- Focus on *helping people* to move forward positively.

  (i) *Share your intention* to lower defences, e.g. “I’m going to share an observation which I hope will help with your project. If I’m wrong, please feel free to tell me.”

  (ii) *Be specific*. It’s more useful to say “she explained the problem and solution clearly in 5 minutes” than “she is brilliant.”

  (iii) You don’t have to *fix things yourself*, e.g. to help a staff who stammers, you can suggest a speech coach or get their views.

- *Give feedback immediately* while the details are still fresh in your minds. When you withhold the feedback, it may create pent-up frustrations and leave people wondering how they're doing.

- Ideally, *do it face-to-face* so you can clarify or adjust your message based on their body language. If this is not possible, go for a video call or phone call (in order of effectiveness). Avoid email or text as they tend to create misunderstanding. Follow up on 1:1 feedback with an email to the whole team for best results.

- As a rule of thumb, *praise in public and criticize in private*. Praising someone publicly makes them feel good and help others to learn what went right. Criticize in private so you can take time to understand them and move them forward positively.

- *Don't personalize* praises or criticisms (e.g. assume someone is lazy or greedy rather than acting out of situational factors). It's often inaccurate and makes the problem harder to solve. To avoid personalization, (a) use the situation-behavior-impact or the lefthand column techniques and (b) use words like "that's wrong" or "I think that's wrong" (not "you're wrong").

Formal performance reviews are vital for reinforcing the informal feedback. Solicit feedback for yourself first, and use 360 degree feedback if possible so the appraisal doesn't seem like a 1-way judgement.

- *Write down what you want to say* before the review: it gives you clarity and gives people a chance to return for clarification later.

- Spend 50% on past performance and 50% on the future. Get your direct reports to come up with their *development plan* and identify what they'd do differently.

- *Set aside enough time*, with ≥50min for each person and ≥10min between sessions so you can recover emotionally. Schedule regular follow ups to assess how the plan is working.

- Hold separate sessions for *performance review vs rating/ compensation*. This prevents people from being so distracted by compensation that they can't focus on improvements.

KEY QUOTES

"If you don't know whether what you said was clear to the other person, you may as well not have said it."

"Caring personally is good. Personalizing is bad."

"Don't let perfection be the enemy of good."

Encourage peer guidance, e.g. at all-hands meetings, you can (a) get people to share stories of exceptional work by colleagues and vote for them and (b) let people confess their screw-ups to help others avoid the same mistake. However, don't let any member of your team talk to you about another team member behind their back; if need be, hold 3-way conversations to resolve the conflict.

Never try radical candor on your boss by criticizing him/her. Instead, roll out Radical Candor with your own team and only explain it to your boss if the opportunity arises. You can also ask your boss for guidance (rather than giving it). No matter how receptive your boss seems, don't give guidance without seeking permission, e.g. by asking "would it be helpful if I shared what I thought about this issue?"

Once a year, you can do "skip-level meetings" with the staff reporting to your direct reports (without the direct reports around).

- *Explain your goal*—to help your direct reports become better bosses and help their staff feel comfortable to give feedback. Then, *demonstrate* it by asking your boss to do a skip-level on you. Always get your direct report's prior consent, and do it for *all* your direct reports (not selectively).

- *Get feedback* on what the manager is doing well, what could be better, then what sucks. *Take the notes yourself* and verify the notes with the team before you finalize them, to make sure you got it right. Share the notes right after the meeting. Share all feedback with the direct report, but not who said it.

- Work with your direct reports to identify *1-2 specific things* they can change immediately. Get them to share with their teams what they've learned and what they intend to do differently.

Managing your Team for High Performance

Hold career conversations to understand each of your direct reports' ambitions, so you can to help them move toward their dreams.

KEY QUOTES

"Open, fair, and fast conflict resolution is one of the services you owe your direct reports."

"Giving space for people to talk about dreams allows bosses to help people find opportunities that can move them in the direction of those dreams".

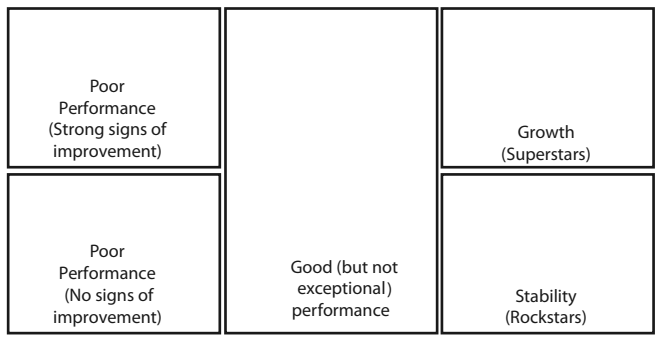
- Ask about their *lives since childhood* and why they made the key changes they did. These can shed light on their key values and what matters most to them.

- Learn about their *dreams*, i.e. what they envisage their career and best life to be like. Don't ask for their "career aspirations" or "5-year plans" which tend invite formal replies. Get them to follow up with a list of their key dreams, the skills needed (in order of importance) and their current competency level.

- Work with each direct report on an *18-month plan*. Jointly identify specific ways to narrow the key skills gaps, e.g. useful people/resources or how to change their roles to help them learn the required skills.

Create a **growth management plan** for each direct report yearly.

- *Put names temporarily into 3 groups*: top performers, good performers, and underperformer. Then, validate this with someone who's familiar with your team's work.



- Develop *growth plans* for each person with 3-5 bullet points (e.g. projects to stretch superstars, support for rock stars, ways to help good/poor performers to improve).

- *Compare notes* with your peers doing similar plans, to avoid biased ratings, build shared standards and perceived fairness.

Invest in **hiring the right people** with the skills *and* team fit.

- Don't rely on paper qualifications alone for *pre-screening*. Use projects or problems to assess the potential candidates' skills.

- Don't make the decision on your own. To reduce subjectivity and bias, use an *interview committee* with ideally 4 people of varying background, e.g. gender, ethnicity, teams.

- Use *casual interactions* for deeper insights. Talk to candidates over lunch, walk them to their car, or ask the receptionist about their experience with the candidate.

KEY QUOTES

"It's scary to move confidently in the direction of one's dreams. Part of your responsibility as the boss is to help people find the courage to do just that."

- Jot down your thoughts after each interview, and have the committee meet after every 3-4 candidates for a *debrief*. Don't make an offer if you're not dying to hire the person, or if another interviewer feels strongly against hiring the person.

Firing people. Once you identify someone with performance issues:

- *Don't wait too long* to admit he/she is underperforming. Delaying is unfair for everyone as (a) the staff has less time to address the issues, (b) the company needs time for proper processes in case you must fire the person, (c) it's ad for your reputation and (d) your team will be affected by this member's performance.

- Don't just follow HR/legal processes. *Consider the staff's needs* and remember that they're not bad people; they've just been hired for a job that's bad for them.

Promote fairly. You can use calibration meetings between bosses to ensure promotions are fair. At Google, anyone can recommend themselves for promotions and decisions are made by a committee than by the managers.

Reward both rock stars and superstars. Don't over-emphasize promotions and status—praise and celebrate exceptional work, innovation, teamwork, efficiency etc. Say "thank you" in person, publicly and/or via a note, explaining why the work matters and why it matters to you. Find ways to recognize people for their areas of expertise, e.g. put them in charge of teaching others or create opportunities for their work to be shared publicly/made more visible.

Improve Results with Better Communication

Radical Candor is fundamentally about improving team collaboration for results. This requires great communication at each step of the GSD wheel.

1:1 Conversations. These are informal sessions where your direct reports set the agenda to discuss what matters to *them*. Your role is to listen, help them gain clarity, and get to know them personally.

KEY QUOTES

"Remember, the reason you have to fire them is not that they suck. It's not even that they suck at this job. It's that this job—the job you gave them—sucks for them"

"Focus on the work the person is doing, not the status they've achieved in the company for doing it."

"The ultimate goal of Radical Candor is to achieve results collaboratively that you could never achieve individually."

- Follow *their agenda, not yours*, though you can set the structure and ground-rules. Use questions like "why?", "how can I help?", "what can you do to…?" to help them clarify their thinking. Make this a safe space for people to bounce or nurture new ideas.

- Choose a *frequency* that works for your team size. Ideally, set aside 50 minutes weekly for up to 10 direct reports each. Never cancel your 1:1 meetings.

Staff meetings should meet 3 key goals:

- *Learn (20min)*. Prepare your key metrics, so you can identify what went well or badly the previous week, and why.

- *Share (15min)*. Take 5-7 minutes for everyone to write down 3-5 important updates that others need to know (e.g. potential reorganization, revised targets). Then, take another 5-7 minutes to read others' updates without discussion.

- *Clarify (30min)*. Define the 1-2 most important decisions and the 1 most important debate for that coming week, for your next Big Debate and Big Decision meetings. Share the topics/agenda in advance with the rest of the team. Besides those identified to be present, anyone else can attend if they wish to.

Big Debate meetings force you to take time to consider key decisions deeply, and to build a culture of debate. The "owner" of the session must ensure that people put their egos aside to focus on gathering facts, clarifying issues/options and finding the best answers before you move into decision-making.

Big Decision meetings force you to stop debating and start deciding. The "decider" must ensure that the best decision is made based on facts, not egos. Anyone can attend the meeting—once the decision is made, it's final and notes are shared with everyone involved. If someone with veto power can't be present, he/she must indicate prior so the decision can be approved before the notes are released.

As the team gets bigger, it's harder to get buy-in from people. **All-hands meetings** help you to reach everyone. They typically include a presentation to persuade people about the company's direction, and Q&As to encourage dissent and address questions.

KEY QUOTES

"When you're the boss and shit happens, it's your responsibility to learn from it and make a change."

Thinking time. Block off 1-2 hours on your calendar daily just to clarify your own thinking (and let your team members do the same).

Execution time. Block off meeting-free slots in your calendar where you can be alone and focus on execution.

Kanban Boards are shared boards with 3 columns: To Do, In Progress and Done. Each person/team writes down their tasks on different colored post-its and move them around the board. That way, everyone can see the overall workflow, progress, bottlenecks, and build respect and understanding of others' work.

Make time to walk around, observe what's going on and ask people about their work and challenges. It allows you to stay in touch with large numbers of staff beyond your direct reports, and shows that no detail is too small for your attention.

Be culture-conscious. As a boss, everything you say and do (or don't) has ripple effects across the organization. Every small detail—from the name of your annual party to how you respond to mistakes—shapes the culture. Once something is embedded in your culture, it takes a live of its own.

KEY QUOTES

"Being ruthless about making sure your team has time to execute is one of the most important things you can do as a boss."

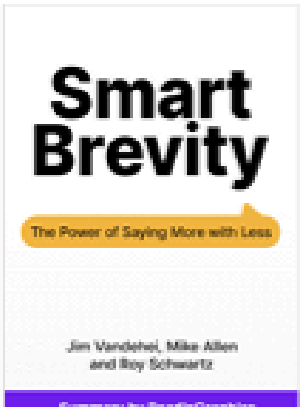
"The small choices you make will persuade people to act in accordance with the culture you want to build with your team."

"A team's culture has an enormous impact on its results, and a leader's personality has a huge impact on a team's culture."

Conclusion & Details in the Book to Look out For

Radical Candor takes time and energy to implement, but the results can be massive, as new ideas emerge and problems get solved without your involvement as the boss.

To get started, share your own stories and invite feedback while getting to know your people with career conversations and 1:1 conversations. When you (a) are better at getting/giving guidance (b) know your direct reports and (c) are happy with your 1:1s, you can move on to staff meetings, debate and decision meetings to improve productivity, before working on growth-management plans and rewards, as well as company processes like hiring, firing, promotion, and formal performance reviews. The book includes numerous other examples and detailed tips on the philosophy and techniques of applying Radical Candor. For more details, please visit www.radicalcandor.com.



SMART BREVITY

The Power of Saying More with Less

Jim Vandehei, Mike Allen and Roy Schwartz

The Big "So What"

Are you tired of writing long emails and reports that no one reads? Imagine if your messages could stand out and be understood in seconds. Smart Brevity shows you how to communicate clearly and efficiently, so you get your point across with less effort and more impact. Whether you're a student, leader, or professional, these strategies will help you to get noticed and remembered.

What is Smart Brevity and Why It Matters

In a digital age, people are suffering from **information overload and constant distractions**.

- This has fundamentally *changed the way we consume content*, and reduced our attention span. On average, we:

  (i) Check our phones >344 times a day (at least every 4 minutes);

  (ii) Scan content on our screens instead of reading them;

  (iii) Spend only 26 seconds on a piece of content;

  (iv) Spend less than 15 seconds on most web pages we visit;

  (v) Decide in 17 milliseconds whether we like something we clicked (and if not, we move on); and

  (vi) Share most stories without even reading them.

- *People have no time or patience for lengthy texts.* Yet we continue to ramble ineffectively in our daily communication. We write an entire book when the ideas can fit in a 1000-word

KEY QUOTES

"You will learn to punch through the noise, be heard on what matters most and win recognition for your most important ideas."

"It has never been harder to get people focused on what matters most."

"Never in the history of humanity have we vomited more words in more places with more velocity."

"We consume all kinds of digital content in short bursts, then quickly move on."

article, or write a long article when the ideas can fit in 1 paragraph.

- To be influential, you must *communicate with crystal clarity*. After all, you can't unite people behind an idea or strategy if they can't understand your message, or if they tune out altogether.

Smart Brevity is a more effective way to think and communicate in a noisy digital world. It helps you to **say more with less**, convey your message powerfully, and save everyone time.

- The authors initially developed Smart Brevity during their time at Politico and refined it further at their media company, Axios. They've since created *Axios HQ*—an AI-powered platform designed to help people communicate effectively using Smart Brevity.

- In *this summary*, we'll explain (i) how Smart Brevity works, followed by (ii) ways to apply Smart Brevity in real life.

How Smart Brevity Works

Research data shows that **most people just read the headlines and the first few paragraphs** of any article/story they see. They will read the rest of the article only if you hook their interest upfront.

Smart Brevity is built on several principles for effective communication, with 4 core elements to be applied in any communication.

- These are meant to serve *as guidelines* to help you think and write more effectively; they're not strict rules to be followed rigidly.

KEY QUOTES

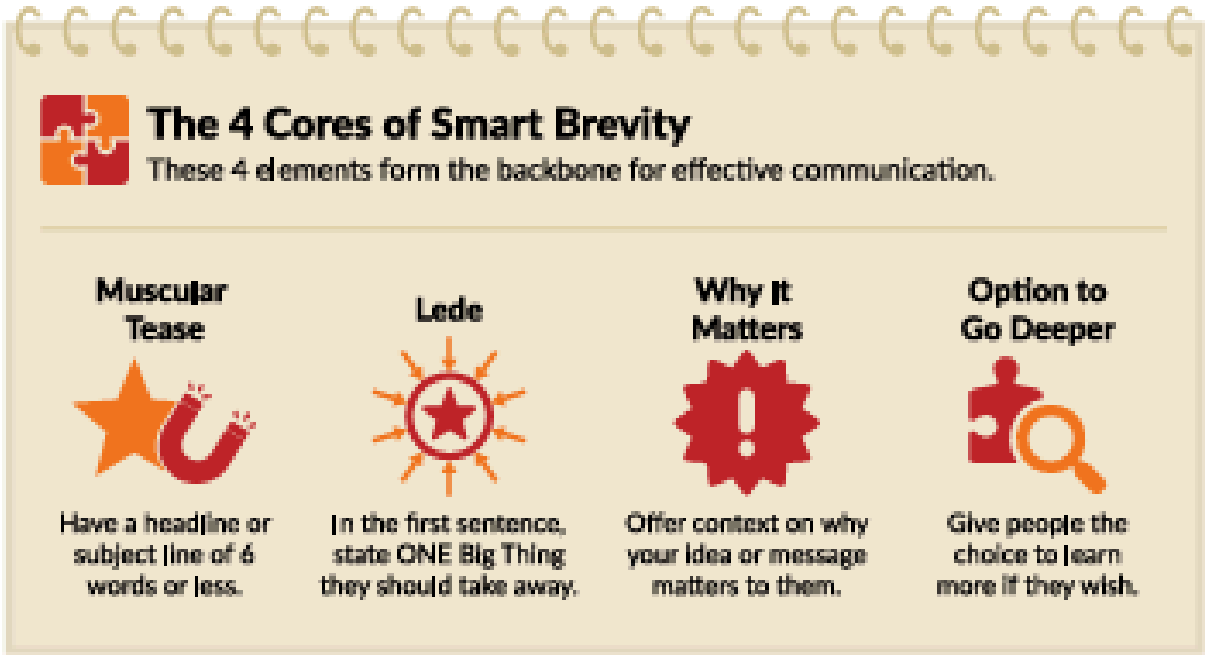
"You can't rally people around a strategy or an idea if they don't understand what you're saying—or zone out."

"I didn't have time to write you a short letter, so I wrote you a long one."
—Mark Twain

"If you want vital information to stick in the digital world, you need to radically rethink—and repackage—how you deliver it."

"Brevity is confidence. Length is fear."

"These are guardrails, not hard-and-fast, never-break-them rules."



"Muscular tease" or an attention-grabbing headline/subject.

- Your audience will make a split-second decision on whether to read your content. Make sure your *subject line or headline* (or the first line of your Tweets/notes) can grab their attention, and yank them away from other distractions.

- Get right to the point, ideally keeping to *6 words or less*. Avoid technical terms, jargon, and don't try to be funny or clever–you will just confuse your audience.

- Start by expressing *why you're writing this content* in 10 words or less, then reduce it to fewer words.

  (i) Express your idea in a provocative but accurate way.

  (ii) Use short, strong words that zing.

  (iii) Always use active verbs.

- *Read your headline aloud*. Does it sound like something you'd be curious to learn more about? Refine it until you're satisfied.

- *Additional tips*:

  (i) Consider adding a famous name/brand that your audience relates to (e.g. Warren Buffett for investors).

  (ii) Useful content like "tips" and "free training" tends to increase engagement.

KEY QUOTES

" Smart Brevity will make your messages clear and memorable, so everyone stays aligned and inspired."

"Just say what you mean, sincerely and short."

"There's a foolproof way to know if you have a good attention grabber: Would you read it if you hadn't written it?"

"Smart Brevity is music theory—it gives you logic and elegance. But that magnificent architecture leaves room for... jazz."

- Here are several *examples*:

Example	Bad	Good
News Headline	An Overview of the Latest Developments in AI Technology	AI Breakthrough: What's Next?
Workplace Update	Please be reminded that the quarterly review meeting will take place next week.	Quarterly Review: Prepare Now.
Health and Wellness	Why It's Important to Stay Hydrated Throughout the Day	Hydration: 5 Key Benefits

"Lede" or an effective opening sentence.

- In the first sentence after the headline, *state the ONE thing* you want people to take away. Lead with the most important idea, because it's probably the only thing your audience will recall later. If you don't know this, your reader won't either.

- Distill down to your *most crucial point*. This should be something your audience doesn't know, wants to know, or should know.

- Be *direct, clear, and succinct*.

  (i) Keep to 1 sentence, without repeating the headline.

  (ii) Skip the anecdotes, adverbs, weak words, or extra words.

  (iii) Check your 1 thing by asking: If this is the ONLY thing that sticks, is it what you want them to remember? If the answer is "no", rework it until you get a "yes".

- Here are several *examples*:

Example	Bad	Good
Sharing Vital News	I wanted to let you know that something significant has happened. We're merging with XYZ Corp, and I think it's going to change things for us moving forward.	Big change coming: We're merging with XYZ Corp.

KEY QUOTES

"Make news and information not just smart, but as clean and efficient as possible."

"The first sentence is your one—and likely only—chance to tell someone what they need to know and convince them not to move on."

"If there is one thing you take away from this book, it is this: Learn to identify and trumpet ONE thing you want people to know."

"One of the media's dirty little secrets is that most journalists suck at writing tight ledes. So don't feel bad: They're paid to do it, and they struggle."

Example	Bad	Good
Discussing a Critical Issue	I've been thinking about the recent challenges we've faced, and I believe there's something we need to address.	Our biggest client is unhappy—we need to act.
Asking for Support	I'm reaching out because I could really use some help with a new project that's been assigned to me.	I need your support on a new project.

The context or "Why It Matters." Most people are too busy to read and digest a piece of content in detail; they will only skim through it. Offer some context on why your idea, fact, or message matters to them personally or professionally.

- Use the words "Why It Matters" to capture their interest. Then, explain clearly and succinctly *why they should care*.
- Be direct, and declarative. Tell them what/how to think about the opening line. *Offer perspectives* like: What does it signal or change? Is there a wider context like a trend or an anomaly?
- Besides "Why it matters", you can use *other axioms* like: The Big Picture, What's Next, What We're Reading, Between the Lines, The Backstory, Zoom In, Zoom out.
- *Bold the words* so they stand out like a street sign.
- Your *headline, lede and axiom* should jointly convey your main message clearly and directly. From there, they can decide whether to keep reading.

Option to "go deeper": Give people the choice to learn more if they want to.

- Include a *link to additional details* (e.g. video, podcast, bio, book excerpts). This allows you to deliver depth and detail, while keeping your content lean and elegant.
- *Use axioms* like "Go Deeper", "The Big Picture", or "Learn more." Bold the axioms so they stand out.
- Make sure the *additional details* are really worth your readers' time.

KEY QUOTES

"Most people are too busy to understand not just what is important, but why it's important. Be a hero: Tell them in a brisk, clear, illuminating way."

"People are crazy busy. They yearn for context. Scratch that itch for your reader."

"Simply seeing the 'Go deeper' material shows the reader that you're on their side...It says: I've done the work so you don't have to."

Let's combine the 4 Cores into an example below:

4 Cores	Example
Muscular Tease	AI revolutionizes medical diagnostics.
First Sentence (Lede)	A new AI system now diagnoses cancer with 98% accuracy, outperforming top human doctors.
Why It Matters (Context)	This AI advancement could drastically reduce misdiagnosis rates, saving thousands of lives annually and cutting healthcare costs by billions. Early, accurate detection means treatment can start sooner, increasing survival rates and improving patient outcomes.
Option to Go Deeper	Explore how this AI works, its real-world applications, and what it means for the future of healthcare in our full report.

Guiding Principles of Effective Communication

Smart Brevity is built on several powerful principles, which we have distilled and reorganized below.

It's all about brevity: being **short, but not shallow**.

- Aim to *do more with less*. Pack more into your communication, using arresting headlines, effective graphics, fewer but stronger words and sentences.
- However, be careful not to lose the nuances, oversimplify concepts, or omit vital facts. There are also *exceptions* where brevity isn't the ideal, such as in poetry, nonfiction books, or casual conversations.

Always put your audience first. Prioritize your audience's needs to ensure your message is relevant and engaging.

- Visualize your target audience, focusing on just ONE person you're targeting. Imagine someone smart, curious, but extremely busy.
- Tailor your message specifically to that person. What's the ONE thing you want them to remember? Consider what they want or need to know, not what you wish to say.

KEY QUOTES

"We hide the good stuff in piles of words. We make people deduce what we're trying to say instead of just blurting it out. Don't be fancy—be effective."

"We committed to stop wasting people's time...To open their eyes to the idea that less is more, and that short does not mean shallow."

"Don't omit important facts or nuance, oversimplify or dumb down. 'Short, not shallow,' is what we tell our reporters."

"Tightly tailor your message to your target reader."

"We tend to think too much about what we want to say versus what others need to hear."

Respect their time and intelligence. Be brief and clear, ensuring what you're saying is worth saying.

- Write down the points you wish to make, rank them in order of importance, then filter down to the *most important points*. Do a gut check: is every point truly essential?
- Write these down as bullet points, not chunks of text. Go through your sentences word by word. Polish them to the *fewest possible words*, using strong, crisp, vivid, and memorable language. Make every word count.
- Don't force them to wade through lengthy preambles and fluff. *Get right to the point, then stop*. Don't blabber on.

Write as a human, for humans. Speak plainly, as if you're communicating 1-1 with someone.

- Write the way you speak. Keep it *clear, direct, authentic, and relatable*.
- Be inclusive. Communicate in a way that anyone—regardless of their background, level of expertise, or personal circumstances—can understand. This involves:

  (i) Using clear, simple language, not jargon and technical terms;

  (ii) Tailoring your communication for diverse backgrounds, e.g. cultural, linguistic, and educational differences; and

  (iii) Making your messages accessible to all, including those with disabilities. For example, include visuals with alternative texts, and include captions for videos.

Speak with authority: You need expertise in order to communicate effectively and credibly.

- An expert has a deep understanding of their field, can assess what's new or important, and has the ability to distill their know-how into clear, actionable insights.
- If you're not an expert, then find an expert. Make sure the information you share is accurate, relevant, and valuable.

Convey information in the **simplest and cleanest way**.

- Limit each paragraph to 2-3 sentences. Break down clumps

KEY QUOTES

"Writing is like a stacked buffet, where it's up to you to pick and choose what you want."

"In a world full of noise, people reward you if you respect their time and intelligence."

"If you're not communicating inclusively, you're not communicating effectively."

"Once you see yourself as serving your audience, people take notice, reward you, trust you, welcome you and actually read or listen to you."

"Smart Brevity jams essential information into the most digestible and delicious packaging."

- Emojis are useful 👍 for conveying emotion, intent, and nuances. Used appropriately, they help us to say more with less 💡. Some examples in business include:

  (i) Data or poll 📊

  (ii) Perfect: 💯

  (iii) Deadline: ⏰

  (iv) Restaurant review: ⏰🍽️

  (v) Checkmark: ✅

  (vi) Goal or Target: 🎯

- Here's a quick **recap of the key principles** discussed so far:

KEY QUOTES

"Emojis as a powerful tool for business and casual communication when used wisely, cleverly and—most important—with restraint."

"Emojis as a powerful tool for business and casual communication when used wisely, cleverly and—most important—with restraint."

"An emoji in a subject line will make it instantly stand out in your inbox. Try it and you'll quickly see the effect."

How to Apply Smart Brevity (SB) in Real Life

You can use the 4 Cores and guiding principles of Smart Brevity in all your communications to increase your impact and save time for everyone.

Newsletters. People hate long reports, emails and memos, but they will love a newsletter done in SB format. This is a great way to share impactful information and get everyone on the same page.

- Choose a *catchy name for the newsletter* that conveys your ethos and purpose in 1-2 words.
- Clearly indicate your *wordcount and how long it will take to read* the newsletter. The average reading speed is 265 words a minute.
- Start with your *1 big thing* in the headline, and have no more than *5-10 items in total*. Ensure every item is truly essential for the reader, and consider numbering them in order of importance. Most people will only read the first 2 items and scan the rest.
- Make your newsletter *tidy and uncluttered*: Use 1 font type, 1 text size, bullet points, and graphics.
- Trim to *less than 1,000 words*, with each item being ≤200 words. Details can go into the "Go Deeper" links.
- Aim to make the reader *smile or feel excited*, and try to end with something funny or personal.

Workplace communication: In the modern workplace, employees expect transparency and purpose at work. You can gain a real advantage by communicating clearly and authentically.

- Use SB to write all your *messages, emails, memos, and updates*. People will appreciate how clearly you present your ideas and save them time.
- Encourage the entire team to do the same. *Make SB a company-wide practice* to save time and accelerate learning for everyone.

KEY QUOTES

"There is no better way to communicate multiple things of importance—and get people to pay attention—than a smart, zippy newsletter, all in Smart Brevity."

"This is the dawn of remote idealistic employees demanding transparency and meaning at work. Culture will be as important as strategy or execution."

- If you're the CEO, consider a weekly employee newsletter in SB format, to *align people behind your mission and values*. Include:

  (i) Key updates impacting your mission and "why it matters";

  (ii) A real story of how you're impacting customers' lives;

  (iii) 5 big things each week to highlight the top priorities; and

  (iv) Recognition for your team.

- Write with *candor and transparency*, and poke fun at yourself if possible.

Emails: Gallup's survey found that 70% of employees want shorter communications at work. This is unsurprising since the average business user receives 126 emails daily as of 2019. To SB your emails:

- Have a short, direct *subject line* that tells people why they should open this email now.
- Put your most important information or request in the *first sentence*, to make it clear why they must read on.
- Add some context on "*Why it matters*". Do this consistently so people will start to look out for it.
- *Use bullets* to make it easier for people to skim your email.
- *Bold the main words and figures* that you want to stand out.
- Use *clean, intuitive visuals* to highlight important points.

Meetings: SB your meetings with the same principles.

- *Decide if you truly need to meet*, or if the issue can be addressed in a 1-1 chat.
- *Set a time limit* for the meeting. Most meetings can be finished in 20 minutes and you can even have 5-10 minute micro-meetings.
- The person calling the meeting should *send out an email* (ideally the day before) to specify a 1-sentence objective, and a bulleted agenda (with no more than 3 points).

KEY QUOTES

"Managers and colleagues will notice—and reward you—for making them smarter, saving time and providing helpful context."

"Communicating a company's values is now essential to both attracting and retaining the best talent."

"The way most people write emails screams "blow me off." But you can entice more people to read your work faster or skim more effectively if you Smart Brevity it before hitting send."

- Start and end meetings on time. *During the meeting*:

  (i) Open with the 1-sentence objective.

  (ii) Explain "why it matters" and help everyone to understand their role and what they can contribute.

  (iii) Specify the decisions to be made to keep everyone focused. If anyone goes off-topic, point it out gently with a smile.

  (iv) Be inclusive. Encourage everyone to contribute.

  (v) When you have 2 minutes left, close the meeting by summarizing the take-aways and next steps.

- Send out a *follow-up email* with bullet points detailing who to do what by when.

Speeches: A great speech needn't be long, and you can SB your speeches to make them more powerful.

- Speak authentically, human-to-human. Don't rely on Powerpoint slides, notes, or teleprompters. Get people to focus on you, and rehearse looking at people in the eye.

  (i) Focus on just *ONE point or lesson*. Write down your big thought in 15 words or less, then polish it using the tips earlier.

  (ii) Open your speech by stating: "The one thing I want you to remember from my speech is..."

  (iii) Reinforce the idea at the end: "If you were to take away only 1 thing from this speech, it will be...."

  (iv) Bring your big idea to life using interesting statistics, great stories, and memorable quotes.

- Explain "*Why it matters*" and why they should pay attention.

- *Number your points* to create verbal bullet points in your speech.

- You can learn a lot from *TED Talks*. For example, can you identify the SB elements in this excerpt of networking guru Pamela Meyer's speech?

KEY QUOTES

"In speeches, like life, you don't need to say a lot to make a big difference."

"You're doing their brains' work for them—sorting the gist from the fluff."

TED Talk by Pamela Meyer in 2011

"I don't want to alarm anybody in this room, but it's just come to my attention that the person to your right is a liar.

Ever since I wrote this book Liespotting, no one wants to meet me in person anymore, no, no, no, no, no. They say, 'It's OK, we'll email you.'

So before I get started, what I'm going to do is I'm going to clarify my goal for you. Lying is a cooperative act... Its power emerges when someone else agrees to believe the lie."

Etc.

Presentations. Simplify your presentations to amplify their impact. Use fewer visuals, less words, and delete anything that distracts the audience from your most essential points.

- An ideal presentation should have *1 big idea backed by 3-5 points*. Write down your ONE desired outcome or request in 6 words or less. Then, list down the 3-5 points you must make.

  (i) Start and end with your big idea.

  (ii) End your presentation with a direct recap, distilled into as few words as possible. For example: "I called this meeting [or created this presentation] so I can _____"

- *Develop 1 slide for each point* and your overall outcome.

  (i) Treat each slide like a billboard, so people can get the point within 3 seconds.

  (ii) Distill down to single sentences of 20 words or less. Ideally, use minimal or no text.

- *Keep it short*. As a rule-of-thumb, use just 2 slides for every 20 slides you want to include. If possible, limit your presentation to 5-6 slides, with 1 point per slide.

- *Use great visuals* to convey your message and tell a vivid story. Arresting images get burned into the listener's brain to help them remember the message.

- Use *1 font and 1 visual style* throughout.

KEY QUOTES

"So many presentations are stressful for the presenter, boring for the audience and a waste of time for both."

"You can talk, you can use slides, you can show pretty pictures. None of it matters if you don't have a crystal-clear idea of what you want the audience to remember."

"Simplify to exaggerate. Think fewer words, fewer slides, fewer visuals—destroy anything that distracts from the essential points."

Social Media. SB your social media posts so they stand out amidst the noise and clutter. The less you say, the more likely you will get clicks or shares.

- *Know your audience and platforms*. Pick simple, arresting images that will appeal to your audience. Align your content with what each platform values the most, e.g. Twitter loves facts and urgency, Instagram loves images with minimal text, while Facebook thrives on provocative ideas and hot news.

- *Write in SB style*, with a headline, 1 big idea, context, options to go deeper, and emojis that make sense. Rinse and repeat.

- *Use infographics* to tell complex stories with as few words as possible. People should be able to tell at a glance what you're trying to say.

Conclusion and Other Details in the Book

In a hyperconnected world filled with noise and distractions, the need for **efficient, precise communication** has become more crucial than ever. Smart Brevity helps you to cut through the clutter, reduce overwhelm, get heard and remembered.

- When you adopt Smart Brevity throughout your organization, it helps to *create a culture of transparency and clarity*, and eliminate gossip, secrecy, and confusion.

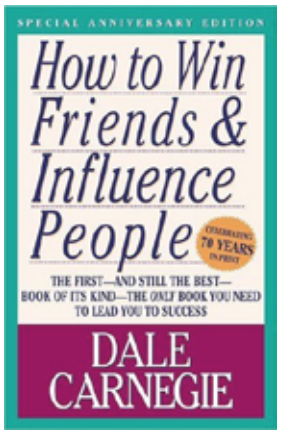
The book is filled with **practical case studies**, showcasing before-and-after examples of various types of communication ranging from news articles, to emails and social media posts. The also authors share their real-world experiences at Politico and Axios to illustrate Smart Brevity applications. For more details and resources, please visit SmartBrevity.com.

KEY QUOTES

"Social media is the hand-to-hand combat of attention warfare."

"On social media, you're ONLY going to tell them that one thing. Tease them with a newsy nugget. Provoke them with a surprising quote. Wow them with a memorable data point."

"A magical thing happens when you communicate crisply and transparently: You cut out all the employee gossip and pot-stirring that come from being confused or kept in the dark."



HOW TO WIN FRIENDS & INFLUENCE PEOPLE

Your Handbook on Human Relations

By Dale Carnegie

The Big "So What"

Next to health, people's next biggest interest is human relationships: to understand and get along with others, be well-liked and win people to their way of thinking. This book serves just that objective. Although it was first published in 1936, its principles and insights are timeless and are still powerful today for any situation that involves people.

Introduction

Carnegie starts by stating a pre-requisite to getting the most from this book, which is "a deep, driving desire to learn, a vigorous determination to increase your ability to deal with people." His methods represent a way of life that can be achieved through practice, and will only work when they are applied sincerely from the heart, rather than used as techniques to cajole others. The core idea of his book is to always consider things from the other person's point of view, as well as your own.

Fundamental Techniques in Handling People

1 Don't criticize, condemn or complain

Everyone wants to feel important/ wanted. Criticizing someone is not only fruitless, it will put him on the defensive, hurt his sense of pride, and even arouse resentment. Instead of criticizing, try to understand why people do what they do.

KEY QUOTES

"As much as we thirst for approval, we dread condemnation."
- Hans Seyle

Understand, not criticize

"Instead of condemning people, let's try to understand them. Let's try to figure out why they do what they do. That's a lot more profitable and intriguing than criticism; and it breeds sympathy, tolerance and kindness."

2 Give honest and sincere appreciation

The only way to make someone do something is to make them want to do it. People want to do things because of the gratification they get, and the need to be appreciated or feel important is one of the deepest human desires. If you can fulfil that need, people will love you.

Constantly ask yourself: "What can I honestly admire about this person?", and show people your appreciation, every time, everywhere. Carnegie highlights that appreciation is different from flattery - the former comes sincerely from the heart, with no selfish agenda.

3 Arouse in other person an eager want

To inspire an "eager want" in someone, you need to first think from his perspective and put his needs before your own. In Henry Ford's words: "If there is any one secret of success, it lies in the ability to get the other person's point of view and see things from that person's angle as well as from your own."

Talk about what they want and explicitly explain how your suggestions will accomplish their goals. Try to enjoy the feeling of unselfishly trying to serve others without any recourse to yourself.

Six ways to make people like you

1 Become genuinely interested in other people

"We are interested in others when they are interested in us", and we tend to like people if they admire us. Greet others with enthusiasm that shows you are pleased to see and talk to them,

KEY QUOTES

Give appreciation

"The only way I can get you to do anything is by giving you what you want."

Focus on others' needs

"When I went fishing, I didn't think about what I wanted. I thought about what they wanted...why not use the same common sense when fishing with people?"

Be interested in others

"One can win the attention and time and cooperation of even the most soughtafter people by becoming genuinely interested in them."

genuinely care about them and their interests, and take time and energy to do thoughtful, selfless things that matter to them.

2 Smile

Give a real, heart-warming smile that is uplifting and shows you are happy to see the other person. Even when you smile on the phone, your smile will come through in your voice. Insincere grins, however, have the reverse effect. If you don't feel like smiling, you can start by getting yourself in a better mood by acting as you if you were happy - force yourself to smile in private, and manage your thoughts.

3 A person's name is to that person the sweetest and most important sound in any language

People value their names, as it is the one item that they own completely, and sets them apart from others. "Make an effort to remember their names and make them feel important. This includes pronouncing and spelling it correctly.

4 Be a good listener. Encourage others to talk about themselves.

To be a good conversationalist, you need to be an attentive listener. Take genuine interest in people, ask questions that they will enjoy answering and listen attentively. Encourage people to share about themselves and their achievements; share yours only if they ask.

KEY QUOTES

Smile

"The expression that one wears on one's face is far more important than the clothes that one wears on one's back."

Magic of the Name

"We should be aware of the magic contained in a name… The name sets the individual apart; it makes him or her unique among all others."

Be a good listener

"To be interesting, be interested… the person you are talking to are a hundred times more interested in themselves and their wants and problems than they are in you and your problems."

5 Talk in terms of the other person's interests

Focus on what the other party is interested in, and talk about it first (don't talk about your own interests unless asked). It is worthwhile to invest time and effort to do prior research on the topics of interest. Talking about what people cares about most opens the way to their heart, and also broadens your horizons.

6 Make the other person feel important – and do it sincerely

People want others' approval, they want to feel important, and they want to be recognized. "Do unto others as you would have others do unto you" - In order to feel important and appreciated, start by giving others that feeling first.

How to Win People to Your Way of Thinking

1 The only way to get the best of an argument is to avoid it

You can never win an argument; even if you "win" it, you still lose because you would have embarrassed someone and lost good will.

To prevent a disagreement from becoming an argument:

- Welcome the disagreement as an opportunity to be corrected
- If you feel defensive, don't trust your first instinct
- Control your temper and listen first.
- Look for areas of agreement.
- Be honest & apologize for mistakes or errors if you made any.
- Promise to think over the person's ideas carefully (& mean it)
- Thank the person for his interest and give both sides time to study the issue

KEY QUOTES

Talk about others' interests

"The royal road to a person's heart is to talk about the things he or she treasures most."themselves and their wants and problems than they are in you and your problems."

Make others feel important

"There is one all-important law of human conduct…Always make the other person feel important."

Avoid arguments

"A man convinced against his will is of the same opinion still."

2 Show respect for the other person's opinions. Never say, "You're wrong."

Never tell someone they are wrong, including implying it through your look, gesture or tone. Instead, take the initiative to be open-minded; learn to use phrases like these to stop arguments and inspire open-minded discussions: "I may be wrong. I frequently am. Let's examine the facts." If you are ever going to prove something, do it so subtly that no one knows you are doing it, or you will only arouse opposition.

3 If you are wrong, admit it quickly & emphatically

If you know you will be rebuked anyway, it is much better to take the first step and do it yourself enthusiastically, rather than have someone do it. Not only will this remove guilt and defensiveness, it usually address the problem caused by the mistake & encourage the other person to be open-minded too.

4 Begin with a friendly way

When people are feeling upset, no amount of logic can win them over. As Abraham Lincoln says, "If you would win a man to your cause, first convince him that you are his friend." Hence, start handling any situation with a kind, friendly and appreciative approach.

KEY QUOTES

I may be wrong...

"You will never get into trouble by admitting that you may be wrong. That will stop all argument and inspire your opponent to be just as fair and open and broad-minded as you are."

Admit to your mistake

"Any fool can try to defend his or her mistakes – and most fools do – but it raises one above the herd and gives one a feeling of nobility and exultation to admit one's mistakes."

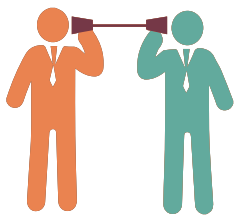
Be gentle and friendly

"People don't want to change their minds. They can't be forced or driven to agree with you or me. But they may possibly be led to, if we are gentle and friendly, ever so gentle and ever so friendly."

5 Get the other person saying "yes, yes" immediately

When someone says "No", it triggers a series of neuro-muscular responses that puts him on the defensive, while saying "Yes" keeps him open and accepting. Hence, if possible, keep your opponent from saying "No." Instead, use the Socratic approach - ask a series of questions to which your opponents will reply "yes" to.

6 Let the other person do a great deal of the talking



Allow people to talk themselves out, and share about their businesses and problems. Ask questions and listen sincerely and patiently, with an open mind. Do not interrupt even if you disagree with them.

To be liked by our friends, make them feel important by allowing them to excel us and share about their accomplishments (rather than boast about ours).

7 Let the other person feel that the idea is his or hers

We tend to have more faith in ideas that we discover on our own. Hence, rather than presenting an idea as your brilliant solution, make a suggestion and allow the other person to draw his own conclusion. If possible, even allow the other person to claim credit for the idea, as it will yield better results.

KEY QUOTES

Getting "yeses"

"Keep emphasizing, if possible, that you are both striving for the same end and your only difference is one of method and not of purpose."

Listen rather than talk

"(People) know more about their business and problems than you do. So ask them questions. Let them tell you a few things."

Let people own the ideas

"No one likes to feel that he or she is being sold something or told to do a thing. We much prefer to feel that we are buying of our own accord or acting on our own ideas."

8 Try honestly to see things from the other person's point of view.

Never condemn someone for being wrong. Instead, assume the other person always as a valid reason for his/ her actions; try to put yourself in his shoes and understand why he would do or say what he did. Consider from the other person's point of you why he would want to hear or adapt to your point of view.

9 Be sympathetic with the other person's ideas and desires

To get others to be sympathetic to your points of view, you need to first be sympathetic with theirs. Remember that just because their views are different from yours doesn't mean they are wrong. A good line to turn hostility into friendliness and good will is this : "I don't blame you one iota for feeling as you do. If I were you I would undoubtedly feel just as you do." When we are open to others, we have a better chance of winning them over.

10 Appeal to nobler motives

According to J. Pierpont Morgan, people typically have two reasons for doing anything: their real reason (which only they will know) and a reason that sounds good. Appeal to the latter, and show how your suggestion will fulfil the nobler cause. This is built on the assumption that, if you treat people as if they are upright, fair and honest, most of them will act accordingly.

KEY QUOTES

See his perspective

"There is a reason why the other man thinks and acts as he does. Ferret out that reason – and you have the key to his actions, and perhaps to his personality."

Be sympathetic

"You deserve very little credit for being what you are – and remember, the people who come to you irritated, bigoted, unreasoning, deserve very little discredit for being what they are."

Appeal to noble motives

"All of us, being idealists at heart, like to think of motives that sound good. So, in order to change people, appeal to the nobler motives."

11 Dramatize your ideas

To get attention, you need to make the benefits of your ideas more obvious, interesting and vivid to people. You are presenting the truth, but using drama and showmanship to capture their attention and imagination, and make your ideas more impressive.

12 Throw down a challenge

People are motivated by opportunities to prove themselves and to win. Stimulate competition or throw a challenge to appeal to people's desire to be important, to excel and win.

Be a Leader: How to Change People Without Giving Offense or Arousing Resentment

1 Begin with praise & honest appreciation

Praising someone sincerely builds their confidence and sets a positive foundation for them to receive feedback on potential areas of improvement. It is like the dentist administering local anaesthetics before drilling, to dull the pain.

2 Call attention to people's mistakes indirectly

Rather than criticize someone directly, call indirectly to his attention the behaviour that you wish him to change. This helps people – especially sensitive ones – to realize their mistake without resentment. If you praise someone before

KEY QUOTES

Dramatization

"Merely stating a truth isn't enough. The truth has to be made vivid, interesting, dramatic. You have to use showmanship."

The challenge

"The desire to excel! The challenge! Throwing down the gauntlet! An infallible way of appealing to people of spirit."

Praise before correction

"It is always easier to listen to unpleasant things after we have heard some praise of our good points."

criticizing them, also be conscious to avoid the word "but" and replace it with "and", e.g. "I'm so proud that you completed the task on time, and it would be even better if..." This makes your praise seem sincere, rather than a manipulative way to criticize.

3 Talk about your own mistakes first

When you talk about your mistakes before criticizing others, you bring yourself to their level and make yourself more relatable. Regardless of whether you have already corrected your mistakes, it makes it easier for the other person to hear his faults if you start with yours.

4 Ask questions instead of giving direct orders

No one likes to take direct orders. Asking questions help people to feel that they are a part of the decision-making process, improve buy-in and can stimulate creativity.

5 Let the other person save face

Rather than threatening, belittling or directly finding fault, make an effort to protect the other person's dignity with kind and understanding words. Assure them of their value and give them the confidence to do better next time.

KEY QUOTES

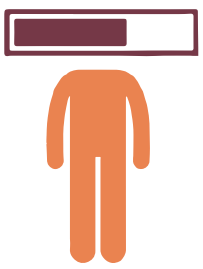
Start with your mistakes

"It isn't nearly so difficult to listen to a recital of your faults in the person criticizing begins by humbly admitting that he, to, is far from impeccable."

6 Praise every improvement and praise the slightest improvement

Praise works better than criticism because people would do almost anything to get appreciation and recognition. When we help people to realize the true potential they possess, they will be inspired to transform for the better.

7 Give the other person a fine reputation to live up to



When we respect people for their ability, they are more ready to be led. To improve someone, act as if he or she is already outstanding in that particular desired trait or virtue. Give someone a big reputation to live up to, to inspire change in his attitude or behaviour.

8 Encourage. Make the fault seem easy to correct

To help people get over the obstacle of change, we should let them know we have faith in their abilities and their chances of success. Praise their good points, minimise their faults, and be generous with our encouragement so they will practise the necessary skills and excel.

KEY QUOTES

Praise improvements

"Abilities wither under criticism; they blossom under encouragement."

"You who are reading these lines possess powers of various sorts which you habitually fail to use; and one of these powers…is your magic ability to praise people and inspire them with a realization of their latent possibilities."

9 Help them see their benefits

To make someone glad to do your suggestion:

- Be sincere and focus on the benefits to the other person
- Know exactly what you want the other person to do

- Focus on what the other person really wants and consider the benefits he will receive from doing what you suggest; then match these benefits to his wants.
- When you make your request, clearly convey the benefits to that person.

For example, you can offer someone a good title for his work, or offer a substitute immediately after turning down an offer.

Other Useful Details in the Book to Look Out For

Carnegie conveys his ideas using examples and stories from English kings, Civil War generals, and other famous personalities like Franklin and Teddy Roosevelt, Abraham Lincoln, John D. Rockefeller. There are many powerful situation-specific tips and useful phrases embedded in his case studies that can be applied in our day-to-day dealings with people. He suggests 9 ways to get the most from his book:

- Develop a keen desire to master human relationship
- Read each chapter twice before going on to the next one
- As you read, stop often to consider how to apply the suggestions
- Underline important ideas
- Apply the principles whenever possible, to solve your daily problems
- Create a game: Give a friend a dollar each time he catches you violating the principles
- Review your progress and learning points weekly
- Keep notes of how and when you have applied the principles

THE OUTWARD MINDSET

Seeing Beyond Ourselves

THE ARBINGER INSTITUTE

The Big "So What"

Our mindsets affect how we see the world and respond to people or events around us. This book explains how to create lasting change by adopting an outward mindset that improves your personal and professional relationships, team collaboration and innovation.

Introduction

Many of us unknowingly operate from an inward, self-focused mindset, which generates tension and conflict. When you switch to an outward mindset, you intuitively understand what your colleagues, friends, and family need. Your relationships flourish, your teams and communities thrive, and you become **happier and more successful**.

In this book, the Arbinger Institute draws on decades of research and application, to explain how we can **create lasting change** at a personal, family, team, and organizational level. The ideas are presented through a series of real-world examples to help us understand the outward mindset and its potential impact.

Why Mindsets Matter

Mindsets Drive Performance and Results

Our results are determined by our actions/behaviors, which are in turn shaped by our **mindsets and perspectives**. Mindsets are more than self-beliefs. They affect how you see things/people, the options you think of, and how you choose among those options.

KEY QUOTES

"This book is about…how to experience a way of seeing, thinking, working, and leading that helps individuals, teams, and organizations significantly improve performance."

"Mindset drives and shapes all that we do—how we engage with others and how we behave in every moment and situation."

"While behaviors drive results, behaviors themselves are informed and shaped by one's mindset."

Without a change in mindset, you cannot create lasting change. Technical skills or behavioral interventions may deliver short-term results, but you'll eventually lapse into old ways of thinking and acting.

- For example, you can learn new techniques from a communication course, but you won't be able to apply these effectively until you change how you see others. If you dislike and distrust someone, the other person can pick up the negative vibes regardless of what you say or do.

- By contrast, once you change your mindset, it fundamentally changes how you see and approach things. A study by McKinsey & Company found that organizational change is 4x as likely to succeed if you target underlying mindsets from the onset.

Example: the Kansas City Police Department (KCPD).

- In the past, the KCPD used to take a hard stance with suspects. During drug busts, they would take down suspects aggressively, thrash their homes and even shoot their pets. This only led to increasing tension, worsening crime rates and community complaints.

- Then, the team considered a new perspective: what was it like to be on the other side of the fence? They realized that the drug peddlers were also people trying to make ends meet. Damaging their homes and terrifying their families did nothing to control crime.

- This simple mindset shift led to a major transformation. During drug busts, SWAT team members started to protect the civilians and their properties, and they even prepare milk formula to calm terrified mothers and their babies. Before long, complaints went down, and suspects even cooperated with the police to reduce drugs and guns on the streets.

KEY QUOTES

"As the mindset changes, so does the behavior, without having to prescribe the change."

Inward Mindset vs Outward Mindset

When we **focus inward** on our own needs and goals, we perceive others as objects, or just a means to our own ends. We may:

- Treat others like tools or vehicles to achieve our goals;
- Blame them for obstructing our goals; and/or
- Ignore them because they seem irrelevant to our goals.

When we **focus outward**, we see others as people like us. We see both our needs and theirs, and realize how we're interconnected. This broadens our perspective and helps us to see new possibilities. When we see others as people, we also want to help them and make a positive impact on their lives.

Inward and outward mindsets are not about personality types (e.g. introversion vs extroversion) but **perspectives**.

- The inward mindset arises because we see the "self" as a separate entity, and *imagine boundaries and separations* when they don't exist. In reality, no human being can be truly "independent":
  i. Our physical bodies are shaped by the genes we inherit, our thoughts/beliefs are shaped by the people and environment we're born into, and our moods/feelings are influenced by the people around us. Even when we're alone, our state of mind is affected by our thoughts about other people.
  ii. Everything we say and do also impacts others around us, to create ripple effects on our communities.
- The 2 mindsets fall on a *continuum*. All of us exhibit both mindsets, and we can intentionally shift toward an outward mindset to improve our personal and professional outcomes.

INWARD MINDSET	OUTWARD MINDSET
See Others As Objects:	See Others As People:
Tools for our goals	Interlinked with us
Obstacles to blame	Have their needs/goals
Irrelevancies to ignore	Deserve our help

KEY QUOTES

"Separation is an abstraction. Together is our reality."
—Martin Buber

"People are at once independent and dependent, both alone and fundamentally together, at the same time influencing others and being influenced by them."

"Accountability, collaboration, innovation, leadership, culture, and value to customers all improve as organizations increasingly apply an outward mindset in their strategies, structures, systems, processes, and day-to-day-work."

Inward and outward mindsets are manifested as 2 types of **leadership**:

- *Isolated leaders* see themselves as separate from those they lead. To them, people are like objects or resources to be managed.

- *Together leaders* realize that they exist as leaders only because of their followers. They see unlimited potential in each person, consider things from others' point of view, and are thus able to find new solutions that are invisible to isolated leaders.

Let's take a look at a few **real-world examples**:

- *Business turnaround*: After a company acquired by a larger firm, it was instructed to cut costs by $100mil within 30 days. The president, Louise Francesconi, gathered her executives to discuss solutions.

  - Initially, the managers adopted an inward mindset, to protect their own position, manpower and budget, while hoping for the layoffs to come from other parts of the business.

  - Then, the team stepped back to consider the impact on each person they laid off. Once they started to see the employees as real people with families and commitments, they decided to avoid layoffs if possible. The executives held 1-1 meetings to understand more about their colleagues' work, and one executive even suggested folding his division into another division. The resulting waves of collaboration improved the company's results so dramatically that they managed to double their business growth without any layoffs.

- *Healthcare*: A team of medical staff were struggling to handle a Vietnamese patient. The patient didn't understand English, was unable to communicate with the medical team at all, and would frequently throw tantrums or hurl stuff. The team debated using medication to calm her, or even discharge her to get her off their hands. Then, a team member asked, "What is it like to be her?" This simple shift—to see the patient as a person instead of just a problem to be dealt with—changed the team's perspective. They started to find ways to ease the patient's stress and frustration, e.g. getting her Vietnamese food and connect her with the local community.

KEY QUOTES

"The truth, once seen, enables change even where change seems most unlikely."

- *Father-son relationship*: William Cornia was a famer with drinking and anger management issues. He frequently took his anger out on the farm animals, so much so that his son, Ivan, lived in fear that William would one day turn the anger on him. Then one day, Ivan himself lost his temper and started to beat a cow violently. William finally realized how deeply he had affected his son. Once he shifted his focus away from his own frustrations toward his son's well-being, he was able to overcome his anger management issues and become a changed man.

Shifting to an Outward Mindset

Breaking Free from Inward Thinking

Often, we are the biggest obstacles to our own freedom and growth. When we feel overwhelmed by challenges in life, we tend to look inward and blame others for our circumstances, failures, and disappointments.

- We *see others in distorted ways* to justify our own actions or inactions, e.g. "I'm not helping him because he's lazy and irresponsible" or "I'm withholding information only because he did it first." Such behaviors worsen the problem, conflict, tension, or lack of cooperation.

- During hard times, an outward mindset is even more crucial to help you *get unstuck*. For example, Chris Wallace was a young man who felt trapped on his family's ranch. He blamed his father for his lack of opportunities and the family's financial distress. After his father committed suicide, Chris continued to blame him for everything that went wrong in his life. Then, a chance encounter with a stranger helped Chris to realize that he had never stopped to consider his father's burdens. He had focused only on what he wanted, and was ultimately responsible for his own self-defeating thoughts. From then on, he stopped obsessing over his father's failings, and started to take responsibility for his own life.

At other times, we think we're being outward-minded when we're actually adopting an inward mindset. For example, a father thought he was spending quality time with his daughter by

KEY QUOTES

"The most troubling areas of our lives will be those in which we resist what the humanity of others invites us to see."

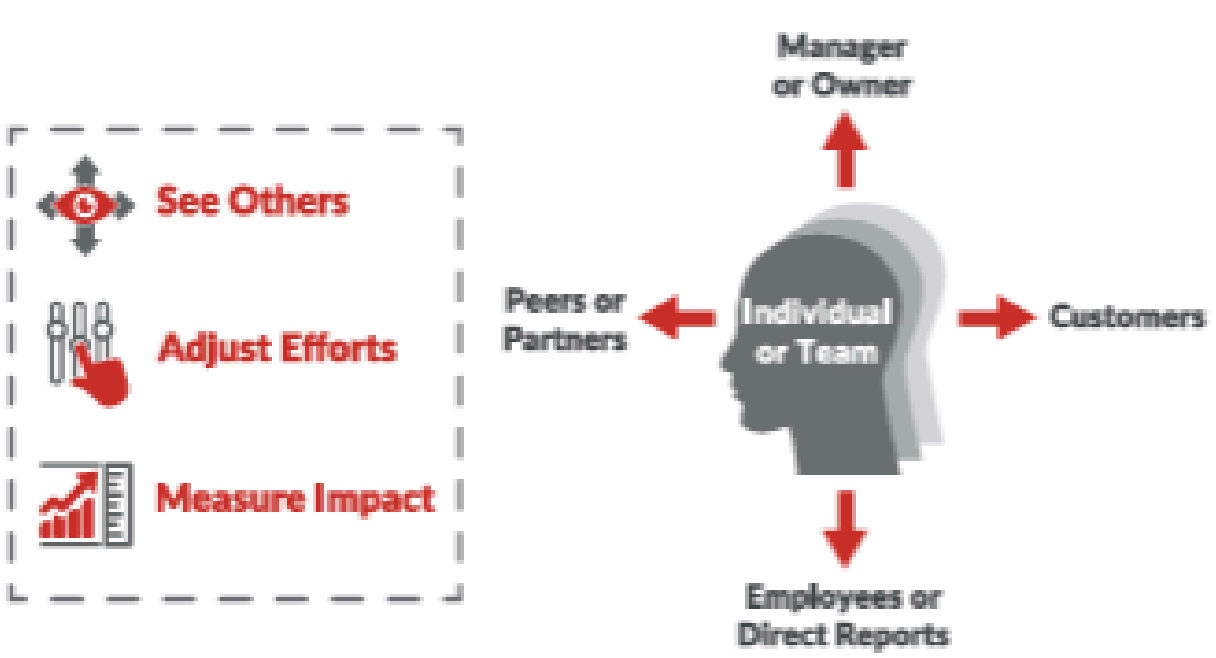
playing basketball with her in the evenings. Then one day, he realized that his daughter didn't like basketball at all. He had been doing what he wanted to do, and not what she needed from him.

The 3-Part Approach to an Outward Mindset

There are 3 steps that any individual, team, or organization can use to shift to an outward mindset:

- *See others'* needs, goals, and challenges;
- *Adjust your efforts* to become more helpful to others; and
- *Measure your impact* on others and hold yourself accountable for your impact.

In an organizational setting, these 3 steps should be applied to your stakeholders including: your (i) manager or business owner, (ii) employees or direct reports, (iii) peers or partners, and (iv) customers.



Example: Ford. When Alan Mulally became the CEO of Ford in 2006, the company was losing $17bil per year. Yet, people didn't feel responsible for the company's problems, and continued to rate their work highly.

- To develop ownership and accountability, Mulally introduced 2 weekly meetings: the Business Plan Review (BPR) and the Special Attention Review (SAR). At the BPRs, senior executives had to personally account for their key areas of responsibility using color codes—green for items that were on-plan, yellow for items at risk of going off-plan, and red for things that were already off-track.

KEY QUOTES

- Due to Ford's culture of hiding mistakes, all the executives initially reported their items as 100% green. One day, an executive had no choice but to report a red item, because a faulty tailgating system made it too risky to launch a new vehicle on schedule. Instead of reprimanding the executive, Mulally praised him for the visibility and asked, "Who can help him with that?" Soon, other executives also started to share honest updates and participate actively in the weekly discussions.

- The BPR helped the executives to (i) see how their roles related to one another and to Ford's wider objectives, (ii) adjust their work to help one another, and (iii) assess if their actions were making any difference. The turnaround was dramatic. During the 2008 financial crisis, Ford was the only U.S. automobile manufacturer that didn't need a federal bailout.

Example: CFS2. Bill Bartmann was the founder and CEO of CFS2, a debt collection company that operated with an outward mindset.

- CFS2 realized that people owed money because they didn't have money in the first place. In fact, many debtors felt so defeated that they had no motivation to turn things around.

- Instead of trying to squeeze every drop from the debtors, the team brainstormed ways to help, e.g. writing resumes for their clients, and reminding them to show up at the interviews on time. CFS2 employees were rewarded based on how far they helped their clients, rather than how much debt they collected. Once the debtors had money, they could repay their debts and wanted to do so, creating a win-win outcome.

- By seeing and understanding the debtors' needs, the CFS2 team was able to adjust their efforts and create a much larger impact.

To **see others**, be genuinely interested in them.

- For instance, if you dislike client meetings or engaging people at a party, stop trying too hard. Instead, try saying "Tell me more" or "*How can I help?*"

- At an organizational level, develop *lateral awareness*, i.e. be conscious of the needs, goals and challenges of those working alongside you. Try this exercise:

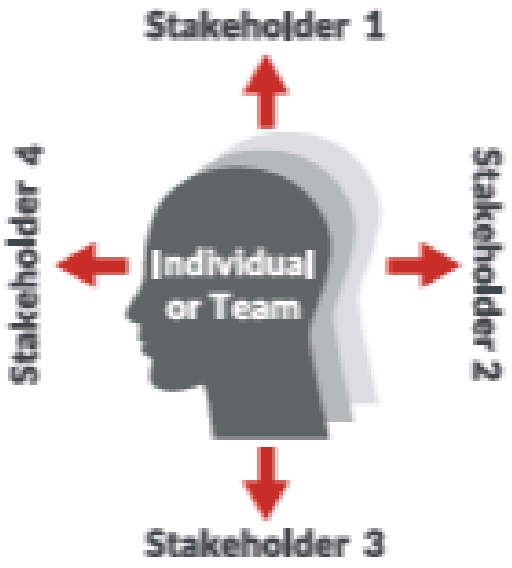
KEY QUOTES

"Outward-mindset people and organizations help others to be able to do things."

- Get each team or individual to list down the names of people or groups who're affected by their work. Have them map it out on an outward-mindset diagram, talk to one another to understand their respective processes, and refine the diagrams.

- Then, discuss how they can better help one another to achieve their goals, and how to measure their impact.

The Outward Mindset Diagram



- Once you look outward, you'll start to see solutions you didn't previously consider. Others also feel seen/heard and become more willing to look outward too. This allows an entire organization to start *breaking free from an inward mindset*.

The next steps are to **adjust your efforts and measure the impact:**

- You can adopt *self-accountability checks* by getting regular feedback from your clients/stakeholders to ensure they are satisfied with the value they are getting.

- You can also develop *metrics* to measure what others could achieve because of your efforts. Hope Arising, a non-profit organization, sought to help orphaned and at-risk children in rural Ethiopia. Initially, they measured their efforts in terms of the amount of clean water they delivered, but this didn't tell them the extent of their impact. After speaking with the villagers, they found that clean water reduced the children's risks of falling sick, so they could go to school and get the education they needed to improve their circumstances. By measuring the number of days children went to school, they could find even more ways to improve clean water supply and get kids to school.

Don't Wait for Others to Change — Take the First Step

One of the problems of the inward mindset is that **we wait for others to change** before we do anything. If everyone waits for everyone else, nothing ever happens.

KEY QUOTES

"When we are listened to, it creates us, makes us unfold and expand. Ideas actually begin to grow within us and come to life."
—Brenda Ueland

"If we don't measure the impact of our efforts on the objectives of those we are serving, we will remain blind to important ways we need to adjust and will end up not serving others well."

"No problem could be solved if individuals were not willing to address how they themselves were part of the problem."

- To create outward mindset shifts, you must be willing to *make a unilateral change* even if others do not, and to sustain those changes even if others don't reciprocate them.

- Leaders play a vital role in *bringing people together* to align their perspectives.

    - For example, a company's sales and credit teams were at odds because the sales team blamed the credit team for rejecting customers' applications, while the credit team blamed the sales team for bypassing the credit application process and increasing bad debts.

    - Finally, the credit department head got the teams to jointly explore ways to close sales and minimize bad debt. They agreed on a common goal—to keep bad debt at 2.5% of the company's revenues in a way that helped the sales team and company to achieve their sales and profit goals respectively. This paved the way for them to start collaborating instead of pointing fingers.

Approach any problem with the mentality: "As far as I'm concerned, the problem is me". **Make the outward shift yourself** regardless of what others do or don't do.

- An outward mindset won't allow others take advantage of you. It only increases your awareness so you can respond more intelligently to others. On the other hand, an inward mindset is more likely to lead you to placate or indulge others.

- As an organization shifts to an outward mindset, those who're unwilling to change will also leave eventually, since they won't be able to contribute at the new levels expected of them.

Shifting Outward as a Team or Organization

Any change will be much faster and longer-lasting if you **start with mindset shifts**, and let it lead the behavioral changes. Before resorting to behavioral interventions, consider if you have:

- Understood the needs, goals, and challenges of all parties involved;

- Adjusted your efforts in view of those issues; and

- Held yourself accountable for your impact on those people.

KEY QUOTES

"The outward mindset doesn't make them soft; it makes them smart."

"You will make progress toward change much more quickly to the degree you first attend to mindset."

Rally people around a **collective goal or outcome** that's bigger than any individual.

- Often, people focus on narrowly on their individual roles because (i) they don't understand how their roles fit into the wider picture and/or (ii) they're unclear on their impact or accountabilities. When leaders *clarify the collective result*, it helps people to figure out what they can do rather than wait for specific instructions.

- Even if your organization doesn't have a clear collective goal, you can still use the outward mindset diagram above to *understand your role* relative to the needs, goals and challenges of your stakeholders. Then, adjust your efforts and measure your impact accordingly.

Let people plan and execute their work, so they can **take responsibility for their roles and results.**

- Often, leaders assign people with narrowly-defined tasks, then blame them for poor performance. On the other hand, the executers blame the leaders for unrealistic targets or poor planning.

- Don't expect people to mindlessly execute what you tell them to do. Coach them to use the outward mindset diagram and 3-part approach so they can rethink their own roles and decide on the results they must deliver. Use the same approach to own your plans, actions, and impact. For example:

  i. A couple couldn't get their kids to do the chores assigned to them. Then, they started to involve the kids in the planning process. Once the kids had a say on what should be done and how, they took ownership of the tasks and founds ways to make them fun and enjoyable.

  ii. The new leader of a healthcare facility was struggling to get people to speak up and share their ideas. So, he started to work alongside them, chatted about their work, and invited them to share/expand on their ideas (instead of interjecting with his own). Before long, people opened up and started to explore ways to improve their efforts and impact.

KEY QUOTES

"Wherever people are organized together, a collective result already exists, just waiting to be named, collaborated around, and worked toward."

Wherever possible, **remove unnecessary distinctions** that distance senior executives from the rest of the organization, e.g. exclusive offices on the top floor or private parking lots.

- When senior leaders abide by a different set of rules or privileges, it creates a perceived gap that reduces their influence. Likewise, it's easier for parents to influence their children if they *follow the same set of rules*.

- Leaders must *walk the talk*. Make the changes yourself before asking others to do so. Start by considering your employees' perspectives, needs and goals, and adjusting your efforts and measurements to help them achieve those needs/goals first.

Develop **outward systems and processes** to support the mindset you're trying to cultivate.

- For example, it's hard to get people to be outward-minded if your *performance system* is based on inward results. If your organization rewards only the top 10% and fires the bottom 10%, people will be too focused on keeping their jobs to collaborate and innovate toward organizational goals. Instead, focus on developing people and holding them accountable for growing their impact and results.

- Institutionalize outward-minded *strategies and practices*, e.g. discuss collective goals, actions, and challenges at team meetings, or regularly review examples of outward-minded actions.

Other Details in the Book to Look out For

It takes time and effort to shift from an inward mindset to an outward mindset. The good news is, the more you do it, the easier it becomes, until it becomes your default way of thinking. This book is full of real-world stories and examples—from education to business, healthcare, and Navy SEALS—to help the readers understand the outward mindset and how to apply it. For more information, please visit https://arbinger.com/.

KEY QUOTES

"When leaders begin to take seriously the project of not taking themselves too seriously and begin collapsing the distinctions between themselves and others, they are positioned to begin scaling mindset change."

"Create an organizational ecosystem that energizes people rather than manages objects."

"Outwardness does to inwardness what light does to darkness: it chases it away."

THE MOM TEST

How to Talk to Customers & Learn If Your Business is a Good Idea When Everyone is Lying to You

Rob Fitzpatrick

The Big "So What"

Most startups fail because they build something that nobody wants. The biggest trap? Asking bad questions that lead to misleading answers. *The Mom Test* is a guide for talking to customers in a way that reveals the truth—so you can build something people will actually buy.

Why Customer Conversations Go Wrong

It's important to **talk to customers to understand their needs**. Yet, most entrepreneurs get it wrong.

- They ask family, friends, or prospects if their business idea is good. But *people lie* because they want to be polite and supportive, especially when they see how passionate you are. This leads to false validation, sending the startup down a wrong path and wasting valuable time and resources.

Rob Fitzpatrick, a tech entrepreneur, learned this the hard way after years of building startups and mentoring founders. In this book, he explains how to get real, actionable insights using **The Mom Test**—a set of rules to help you uncover what your customers truly need and will pay for, and avoid the pitfall of building something no one wants.

KEY QUOTES

"Trying to learn from customer conversations is like excavating a delicate archaeological site. The truth is down there somewhere, but it's fragile."

"Questions are our tools. But we must learn to wield them. It's delicate work. And well worth learning."

"Doing it wrong is worse than doing nothing at all... collecting a fistful of false positives is like convincing a drunk he's sober: not an improvement."

"I learned that there's a big gap between textbooks and check books."

- The method integrates *proven insights* from design thinking, lean startup, sales, customer development, and user experience, validated by the author's real-world experience. They are useful for anyone launching a startup, validating a business idea, or improving an existing product.

- In this summary, we present the insights in *2 parts*:

  (i) What is The Mom Test?

  (ii) How to apply The Mom Test effectively.

The Mom Test: The Art of Asking Good Questions

The Mom Test has **3 simple rules** for asking the right questions so even your mom can't give you misleading answers.

- *Talk about their life, not your idea.*
  - Instead of asking, "Do you like this idea?", ask "How do you currently solve this problem?"

- *Ask about specifics in the past*, not hypotheticals about the future.
  - Instead of asking, "Would you pay for this?", ask "The last time you faced this problem, what did you do?"

- *Listen more, talk less*. The more you talk about your idea, you more you bias their response. To learn what matters to customers, let them do the talking.

If possible, ask about their problems without mentioning your solution—if they don't know your idea, they can't give false validation. So, **what questions should you ask or avoid?**

- *Do* get specific facts about customers' lives—problems, behaviors, goals, and constraints.
  - *Pain points*: What's the hardest part about dealing with this issue?
  - *Current solutions*: How are you solving this today?
  - *Past behavior*: When was the last time you faced this problem? What did you do?

KEY QUOTES

"I can't teach you how to make your business huge... But I can give you the tools to talk to customers, navigate the noise, and learn what they really want."

"The Mom Test is a set of simple rules for crafting good questions that even your mom can't lie to you about."

"The more you're talking, the worse you're doing."

"The measure of usefulness of an early customer conversation is whether it gives us concrete facts about our customers' lives and world views."

- *Spending habits*: Have you ever paid to solve this problem? How much did you pay?

- *Don't* ask about the solution you should build, including:
  - *Their opinions*: Do you think this is a good idea?
  - *Hypotheticals*: Would you use this if it existed?
  - *Leading questions*: Don't you think this feature is cool?
  - *Fishing for approval*: We're working on this—do you like it?

Managing Misleading Responses

Watch out for **3 types of bad data** which can lead startups to chase false signals, build the wrong product, and waste time/money. Learn to identify and correct them, to keep your customer conversations on track.

Compliments are empty validations. When people say they "like" your idea, it doesn't mean they will use it or pay for it.

- Beware of *vague, positive comments* like "Great idea!" or "I love it!" These have:

  (i) No mention of specific pain points, frustrations, or past behaviors; and

  (ii) No signs of real engagement, such as asking for details, discussing how they'd use it, or committing to next steps (e.g. asking for a demo or offering to make an introduction).

- Deflect compliments and *redirect the conversation to facts.* If they say, "That sounds great," clarify with "What makes you say that? Have you struggled with this problem before?"

Fluff refers to vague, hypothetical, or overly-optimistic claims about what someone might do in the future. People are bad at predicting their own behavior, so don't trust such hypothetical statements.

- Listen out for *3 warning signs*:

  (i) Generalized claims like "I never", "I always", or "I usually";

  (ii) Future-oriented promises like "I will" or "I would"; and

  (iii) Hypotheticals like "I could", or "I might".

KEY QUOTES

"It boils down to this: you aren't allowed to tell them what their problem is, and in return, they aren't allowed to tell you what to build. They own the problem, you own the solution."

"Bad data gives us false negatives (thinking the idea is dead when it's not) and—more dangerously—false positives (convincing yourself you're right when you're not)."

"Compliments are the fool's gold of customer learning: shiny, distracting, and entirely worthless."

"You want facts and commitments, not compliments."

- Dig deeper into specifics and past behavior.

  (i) If they say "I usually...", ask for specifics, e.g. "Can you walk me through the last time you faced this issue?"

  (ii) If they say "I would pay for that," follow up with, "Have you ever paid for a similar solution before?"

Wishlists: Customers love suggesting features and improvements, but these may not reflect what they truly need. Blindly following such requests can lead to bloated products and wasted resources.

- Beware of *broad suggestions* without specific pain points or struggles, e.g. "You should add this feature", "It would be great if it could also do X" or "I think it should be more like product Y".

- Listen for *emotions* (e.g. frustration, excitement) that suggest it's a real problem for them, and *dig deeper* to uncover the real issue they're trying to solve.

  - People describe symptoms, but it's your job to diagnose the underlying problem and design the best solution for it.

  - Ask: Why do you want this feature? What problem would it solve for you? How are you handling this issue today? Tell me why this is so terrible for you.

- Ideally, *observe what they do* rather than trust what they say. If possible, ask them to perform a task that they struggle with, so you can see the issue first-hand.

If possible don't even mention your idea, so you can **focus the conversation on them**.

- If they ask about your product, *promise to share more later* and redirect the conversation back to their needs.

- If you *accidentally start pitching*, apologize and refocus on them : "Oops, I got carried away. Let's return to what you were saying earlier about..."

- When they share about a problem, resist the urge to correct them or start offering solutions. *Listen* to understand their real frustrations.

KEY QUOTES

"Reject their generic claims, incidental complaints, and fluffy promises. Instead, anchor them toward the life they already lead and the actions they're already taking."

"Ideas and feature requests should be understood, but not obeyed."

"Digging into a signal is basically just giving them permission to do a brain dump."

"When you hear a request, it's your job to understand the motivations which led to it."

"Once you start talking about your idea, they stop talking about their problems."

Asking The Right Questions

If a question won't change your business, then it's not worth asking. Focus on **tough, important questions** that help you make better business decisions.

- Focus on confirming or debunking *critical assumptions* that can make or break the business. Ask yourself:

  (i) What can cause your business to fail?

  (ii) What must be true for your business to be wildly successful?

- For example, if your startup has legal ambiguities, talk to a lawyer before scaling up. *Don't avoid tough questions*.

Embrace bad news. The sooner you realize you're on a wrong path, the faster you can pivot.

- If you have $50k capital and spend $5k to learn you're off-track, you still have $45k to pivot. But if you spend all $50k before realizing nobody wants your product, there's no turning back.

- If you only receive good news, then you're not learning anything useful. *Negative and lukewarm responses* signal low interest—investigate them to challenge your business assumptions.

Don't **zoom in too early on a specific problem**, such as asking "What's your biggest problem with going to the gym?" before verifying if they even care about fitness.

- Just because someone has a problem doesn't mean they care enough to solve it. *Ask broad questions initially*, e.g. "What are your biggest challenges right now?"

- Only zoom in when a problem is mentioned unprompted in multiple conversations. Look for strong, recurring signals that it's a *must-solve-now problem*, not a nice-to-have improvement.

  - Look for people who get emotional about the problem. Someone who says "That's annoying" is unlikely to be a good lead. But if someone says, "This is ruining my life! I'd pay you right now to fix it!" it sends a much stronger signal.

KEY QUOTES

"Every time you talk to someone, you should be asking a question which has the potential to completely destroy your currently imagined business."

"You should be terrified of at least one of the questions you're asking in every conversation."

"You're searching for the truth, not trying to be right. And you want to do it as quickly and cheaply as possible."

"There's more reliable information in a "meh" than a "Wow!" You can't build a business on a lukewarm response."

"Most people have lots of problems which they don't actually care enough about to fix, but which they'll happily tell you the details of if you ask them."

Address both **market and product risks**. An idea is worthless if no one wants it (market risk), or if you can't execute it (product risk).

- Make sure you address *both critical factors* for business success:

  (i) Market risk: Do customers want this? Will they pay? Are there enough customers?

  (ii) Product risk: Can you build it? Can you scale it?

- Identify and *remove your biggest risks first*.

  (i) If your idea faces market risk, validate demand first.

  (ii) If your idea has product risk, test feasibility before scaling.

- If your business has more product risk than market risk, then you can't rely on conversations alone. You need other techniques like *rapid prototyping* to mitigate technical risks.

KEY QUOTES

"It's tempting to obsess over the most interesting of several failure points and ignore the others. It's a great way to miss important questions."

Processes & Tips for Early Customer Conversations

Now, let's explore the strategies and processes to apply The Mom Test for effective customer feedback.

Define a Strong, Specific Niche

Beware of 3 traps that lead you to talk to the wrong people.

- Targeting *too broad a segment*: Don't try to target everyone, as it dilutes your focus and leads to conflicting insights.
  - For example, "students" is too broad—it includes PhD students, prep-school kids, homeschooled kids, rural students, and city college students, all with different needs, budgets, and behaviors. A specific segment could be "final-year students preparing for job interviews."
  - If you don't see consistent patterns in problems and goals, it's a sign that you must drill down to a more specific niche.

"When the feedback is all over the map, it's really hard to extract value. Once you get specific, you can learn."

- *Missing key customer segments*. For example, if you're building an app for students, you can't target students alone. You should also consider parents, schools, and administrators.

- *Neglecting stakeholders* in a complex buying purchase. If you're selling to public schools, you also need buy-in from teachers, principals, school boards, and even taxpayers. If your product relies on partners or distributors, do consider their constraints. Talk to decision-makers, influencers, and end users to get a fuller picture.

A **good niche** is one that needs a solution urgently, will pay for it, and is easy to reach. When you're launching a startup or new product, it helps you to focus on the right customers first.

- *Big companies all started small*. For example, Google initially helped PhD students to find obscure code, while Evernote helped moms to save recipes.

- *Who*: Start with a broad group, then use customer slicing to narrow down your target segment.

  (i) Within this group, who wants it most?

  (ii) What's their real motivation (problem or goal)?

  (iii) Are there other groups with the same motivation?

- *Where*: identify behaviors and where they gather:

  (i) What are these people already doing to solve this problem?

  (ii) Where can we find them (e.g. online communities, events, professional groups)?

- A good segment = *who + where*. If you can't clearly define both, it means you must refine your segment further.

Move Through Discovery Conversations Quickly

According to Steve Blank's Customer Development model, we should hold **3 distinct types of conversations** for: (i) understanding the customers and their problem, (ii) presenting a solution, and (iii) selling the product. This prevents early customer discovery from being biased by pre-conceived solutions.

KEY QUOTES

"You can't get the data you need if you're talking to the wrong people."

"When it comes to avoiding drowning and making faster progress, good customer segmentation is your best friend."

"Before we can serve everyone, we have to serve someone."

"Good customer segments are a who-where pair. If you don't know where to go to find your customers, keep slicing your segment into smaller pieces until you do."

"A customer segment isn't very useful if there's no way you can get in touch!"

"The structure of separate problem/solution/sales conversations is critical for avoiding bias, but it's important to realise that the first one doesn't actually need to be a meeting."

- However, *you don't need formal meetings* to get valuable insights. Quick, casual chats often work better because:

  (i) Formal meetings are time-consuming: a 1-hour meeting often takes >4 hours including prep, commute, and follow-up.

  (ii) Early-stage founders may struggle to secure meetings since they lack credibility.

  (iii) Formal meetings can set the wrong expectations. Customers assume they'll be pitched a product, leading to polite but biased responses.

Casual conversations can give faster insights and less biased responses than formal meetings.

- Rather than spend weeks trying to schedule meetings, just ask about people's problems in *casual settings* whenever the opportunity arises.

- The goal in early-stage customer learning is to validate if a problem exists and if customers care enough to solve it. You can gather valuable insights in 5-15 min by *asking good questions without pitching your solution*. For example:

  - At conferences: "I'm curious: how did you land this speaking gig?"

  - At networking events: "What tools do you currently use for X?"

  - Over coffee: "What's the hardest part about managing your team?"

- Longer discussions (30–60 min) might be needed later when you investigate workflows or industry dynamics. Still, *keep these casual* to increase the likelihood of honest, unbiased feedback.

  - For example, Fitzpatrick once assumed that investors struggled with too many startup leads. Instead of pitching a solution outright, he opened a meeting with a casual question: "You must get tons of leads—how do you handle them?" The investor replied that their analysts filter out most leads, leaving them with only 10 serious ones

KEY QUOTES

"Learning about a customer and their problems works better as a quick and casual chat than a long, formal meeting."

"You can talk anywhere and save yourself the formal meetings until you have something concrete to show."

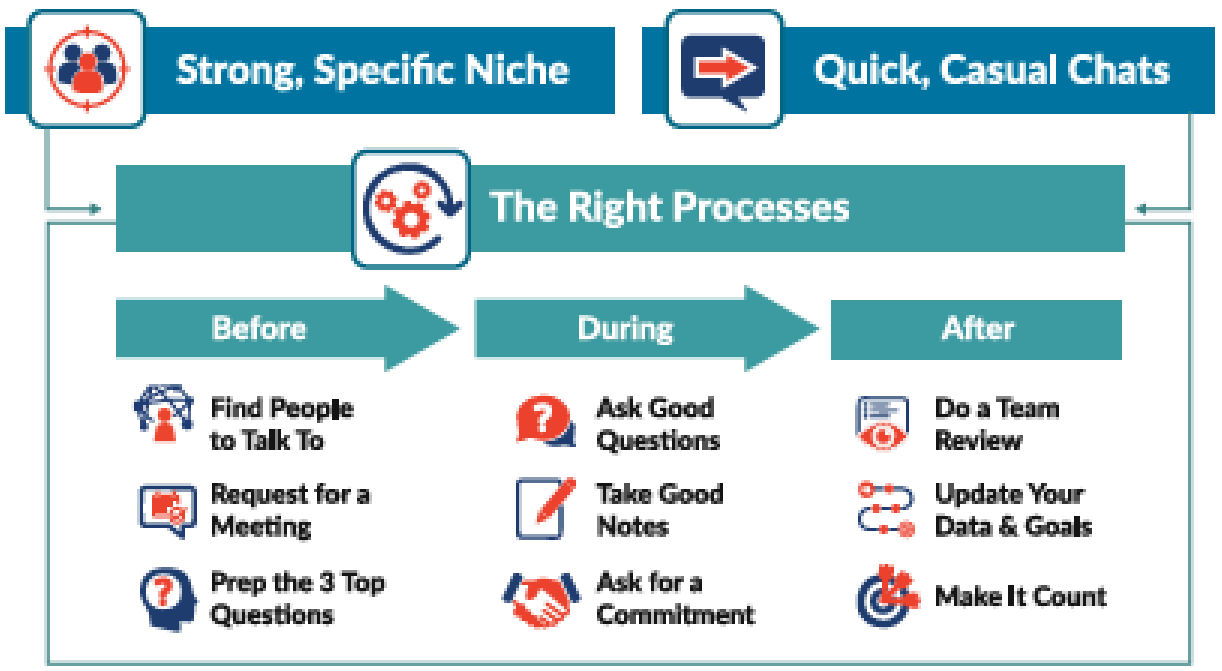
"If it feels like they're doing you a favour by talking to you, it's probably too formal."

"Give as little information as possible about your idea while still nudging the discussion in a useful direction."

to track. Within 5 min, Fitzpatrick had established that the problem didn't exist.

Adopt the Right Processes

Treat customer conversations not as isolated events, but part of a **structured learning process**. Make sure the insights are gathered effectively, shared throughout the team, and acted upon.



- *Beforehand*, you must find people to talk to and prepare your questions in advance.
- *During meetings*, ask good questions, take good notes, and secure an advancement.
- *After each conversation*, review results with the team, and update your database/goals.

First, **find the right people to talk to**. If you have customers, start by talking to them. If not, you'll need to seek out conversations.

- *Nurture prospects* over time for warm introductions.

  (i) *Cold calls and messages* have a high rejection rate. But even 1-2 "yeses" out of 100 contacts could open new doors.

  (ii) Spark *spontaneous, casual conversations* in daily interactions. People love talking about their challenges —you simply need to ask good question, show genuine interest, and listen.

KEY QUOTES

"The customer and learning has to be shared with the entire founding team, promptly and faithfully."

"Having a process is valuable, but don't get stuck in it. Sometimes you can just pick up the phone and hack through the knot."

"The only thing people love talking about more than themselves is their problems."

(iii) Use *landing pages* to collect emails of people who're interested in your product, then reach out to start a conversation.

- You can also *bring prospects to you*:

  (i) Host *meetups or events*, e.g. "happy hour for designers". Or, let's say you want to connect with top universities but lack credibility—try hosting an online "knowledge exchange" between department heads of elite schools and invite other universities to listen in. This builds credibility and gives you instant access to high-value contacts.

  (ii) *Speak or teach* through workshops, online videos, or free consulting hours to build credibility and relationships.

  (iii) Use *blogging* to build an audience, credibility, and organize your thoughts to communicate more clearly.

- *Ask for introductions* through mutual contacts.

  (i) Tap on direct/indirect contacts in your network. A group of graduates got 3 introductions just by standing up in a coworking space and asking, "Does anyone know someone at McKinsey? We'll buy you a beer!"

  (ii) Reach out to industry advisors (for industry contacts), investors (for B-to-B contacts), or university professors.

  (iii) Call in favors from people who invited you to keep them in the loop in past meetings. Say something like, "Hey, we're finally ready to talk to [desired contact]. Would you be open to making an intro?"

Ask for meetings the right way. Set the right expectations so people don't assume you're pitching a product.

- Use this 5-*part meeting request formula*:

  (i) Vision: Share the industry problem you're solving, without mentioning your solution.

  (ii) Framing: Say you're still learning and have nothing to sell.

  (iii) Weakness: Show you need their help.

KEY QUOTES

"If it's a topic you both care about, find an excuse to talk about it. Your idea never needs to enter the equation and you'll both enjoy the chat."

"Blogging about an industry is... a good exercise to get your thoughts in a row. It makes you a better customer conversationalist.

"The world is a relatively small place. Everyone knows someone. We just have to remember to ask."

(iv) Pedestal: Show why they're the right person to help.

(v) Ask: Request a chat.

- *Meet in person where possible*. It's harder to assess body language in phone/video calls, or to build relationships for future introductions.

- Don't approach customer conversations with a sales mindset, as it creates a needy vibe and weakens your position. *Shift your mindset*—you're just looking for advisors who could get excited about your idea and share valuable insights. This will make your conversations more casual and natural.

Prepare your 3 biggest learning questions for every conversation.

- Consider the biggest risks and questions based on the *type of person* you're speaking with. If you're meeting a potential customer, then ask about pain points, options, and purchasing habits. If you're meeting an investor, ask about market size, risks, or revenue potential.

- *Involve the entire team* (including members from product development and sales/marketing).

- List down what you think the customer wants, and do *desk research* so you don't waste time asking for answers you can find online.

During the meeting, ask the right questions, manage misleading information, and keep it casual. It's also crucial to **take good notes**.

- If possible, *have 2 people attend* the meeting, so 1 person can lead the conversation while the other takes notes.

- Fitzpatrick recommends writing your notes using *tools* like Google Docs or Evernote, so it's easy to reorganize them later.

- Record important points including:

(i) Pain points or problems;

(ii) Goals or job-to-be-done;

(iii) Obstacles in their way;

KEY QUOTES

"Phone calls end up sounding more like scripted interviews than natural conversations, because they are. It's a constraint of the medium."

"You are just trying to find helpful, knowledgable people who are excited about your idea."

"If you don't know what you're trying to learn, you shouldn't bother having the conversation."

"Taking good notes is the best way to keep your team (and investors and advisors) in the loop. Plus, notes make it harder to lie to yourself."

"Ask learning questions which pass The Mom Test. Then confirm by selling it. This happens over both the life of your company and during a single meeting."

(iv) Current workarounds; and

(v) Context (or background).

- Use *symbols and emojis* to capture the context and emotional reactions quickly. Star ★ any follow up actions required.
- Capture *exact quotes* in quotation marks, especially about pain points or constraints.

Never close a meeting without **asking for a commitment**.

- *A meeting is only successful if there's an advancement*, i.e. they make a commitment that moves them closer to a purchase. A commitment involves giving up something valuable, such as:

  (i) *Time*: Committing time for further discussions/demos.

  (ii) *Reputation*: Introducing you to a decision-marker or vouching for you publicly.

  (iii) *Money*: Pre-ordering, paying a deposit, or signing a letter of intent.

  The more they give up, the stronger their interest.

- After gathering insights using the Mom Test, confirm if they're truly interested by *giving them a chance to commit or to reject you*.
  - If they say, "That sounds interesting," ask: "Would you be open to introduce me to the person in charge of this?"
  - If they hesitate, it's a red flag that they might not really care about the problem. This is still useful information, as it helps you to cut through the noise and focus only on those who're truly interested.

Right after a meeting, **review the notes** with your team to ensure nothing gets lost in translation.

- Share the *main takeaways*, including the key quotes, insights, and problems encountered.
- Consider *what worked and what can be improved* in future conversations.

KEY QUOTES

"A meeting has succeeded when it ends with a commitment to advance to the next step."

"By giving them a clear chance to either commit or reject us, we get out of the friend-zone and can identify the real leads."

"It's not a real lead until you've given them a concrete chance to reject you."

"In early stage sales, the real goal is learning. Revenue is just a side-effect."

"If you don't know why you're there, it becomes a sales meeting by default."

- *Regularly update* your customer knowledge base and learning goals: What insights have emerged? What else must we learn?

If you're going to invest time/resources to talk to customers, then **make it count**.

- Ensure you *reap the rewards* by (i) focusing on questions that truly matter, and (ii) sharing the learning throughout the team.

- Your goal is to *have just enough meetings* to extract key insights and move forward. So, talk to people until you stop hearing new info. If your niche is well-defined, this might take just 3-5 conversations. But, if you're still getting confused signals after more than 10 meetings, then you probably need to narrow or refine your target segment.

Other Details in the Book to Look out For

Using the tips above, you can systematically gather insights that lead to sound business decisions. The book also includes many real-world examples, detailed scripts for different scenarios, and practical refinements to improve customer conversations over time. For more details, visit www.momtestbook.com.

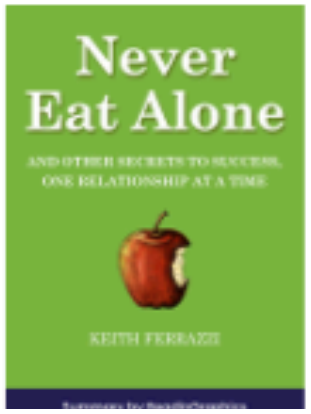
About the Author

Rob Fitzpatrick is a serial entrepreneur, startup mentor, and author. He spent over a decade working in startups, sales, and product development, and has advised thousands of founders on how to validate their ideas without misleading feedback. He currently runs workshops, writes extensively about startup best practices, and builds tools to support founders in making smarter business decisions.

KEY QUOTES

"Talking to customers is a tool, not an obligation."

"You can't outsource or hire someone to do customer learning."



NEVER EAT ALONE

And Other Secrets to Success, One Relationship at a Time

KEITH FERRAZZI

The Big "So What"

Relationships are a crucial part of both our professional and personal lives. They can open doors and bring success and fulfillment that you cannot achieve on your own. This book explains why you should make relationship-building a way of life, and how to build your personal network and brand.

Join the Club

To succeed, you can't rely on hard work and talent alone—you also need others' help and support. The rich get richer not just because of their financial resources, but because they have well-connected friends and associates who share valuable advice and open doors to the right people and opportunities. It's like being part of a privileged club.

It's never too late to join the club by cultivating the right relationships in the right way. By seeking the help and advice of successful people, building his relationship skills and network, Ferrazzi became the Chief Marketing Offer (CMO) at Deloitte & Touche Consulting, the youngest-ever CMO at Starwood Hotel & Resorts, then the CEO of Yaya Media, before starting his own company. In this book, he shares the insights accumulated from more than 2 decades of relationship-building. By applying these strategies and tips, you too can become a highly-accomplished connector.

Adopt the Right Mindset

Networking has a bad connotation because of people who build relationships just to exploit them. The key to successful networking is to add value to help *others* to succeed.

KEY QUOTES

"Relationships are all there is. Everything in the universe only exists because it is in relationship to everything else. Nothing exists in isolation."
—Margaret Wheatley

"You can't get there alone. In fact, you can't get very far at all."

"Business is a human enterprise, driven and determined by people."

"I learned that real networking was about finding ways to make other people more successful."

Don't keep score

Connecting is a two-way process of giving and receiving. Contribute generously to others *and* be willing to ask for others' help. Adopt the philosophy that everyone has the potential to help and be helped.

- When someone asks you for a small favor, just do it. Relationships are like muscles that grow stronger with regular use. The more people you help, the more people will help you and one another, to create a *multiplier effect*.

- In every interaction, ask "How can I help you?" instead of "How can you help *me*?" *Don't keep score*. Keep giving your time, money or expertise, and you'll eventually be rewarded.

- *Be generous to everyone*. Things move in cycles and you never know when you'll be the one who needs help. Someone who's insignificant today can very well become influential tomorrow.

Crystallize your mission and strategy

It's always easier to achieve something with a proper goal and strategy. Use 3 steps to make relationship-building a part of your strategy.

- Take time to figure what you truly want to do. *Find your "Blue Flame"* which lies the intersection of your mission, passion, and ability.

  (i) Look *inward*. Brainstorm a list of your dreams and goals, followed by a list of things that bring you joy/pleasure. Then, connect the 2 lists to look for intersections.

  (ii) Look *outward*: ask people who know you well what they admire most about you (your strengths) and what areas you need help in (your weaknesses).

KEY QUOTES

"Until you become as willing to ask for help as you are to give it...you are only working half the equation."

"The currency of real networking is not greed but generosity."

"Business cycles ebb and flow; your friends and trusted associates remain."

"Our achievements grow according to the size of our dreams and the degree to which we are in touch with our mission."

"Most people...accept what they 'should' be doing, rather than take the time to figure out what they want to be doing."

- *Fill in the Networking Action Plan (NAP)* to identify how to acquire the required skills, tools and resources. Put your goals down in writing. Keep them specific, believable, and challenging. Share your goals and put your plan somewhere visible.

  (i) Define the *interim goals* (in 3 months, 1 year and 3 years) that'd bring you toward your mission.

  (ii) List down the *people, places, and things* you'd need.

  (iii) Assess the best *strategies* to acquire them.

- *Create a personal "Board of Advisors"* to help you stay on-track. At one point, Ferrazzi's goal was to be a CEO of a big corporation. After filling out his NAP, he sought inputs from his board. They pointed out that he lacked the qualifications to be the CEO of a large corporation, and he should go for a smaller company he could grow with. Ferrazzi redirected his focus and soon found an ideal role as the CEO of YaYa—a company that was pioneering online games as an advertising platform.

KEY QUOTES

"An unwritten wish is just a dream. In writing, it's a commitment, a goal."

"A goal is a dream with a deadline."

Build it before you need it

Relationships take time to build. It'll be too late to start building your network only when you need for it, e.g. when you lose your job or start a business. Start building your community today.

- Begin by connecting with and through the *people you already know*. For example, you can volunteer for a company project to learn new skills and meet new people, take on leadership positions outside work (e.g. in hobby or community groups), join an alumni club or attend a course where you can meet people with your dream job. Each new person you meet will bring even more connections and opportunities.

- Let's say you wish to start your own public relations (PR) firm the in future, but lack the necessary experience. Consider the industries you wish to specialize in, the future clients you'll need, and start making the connections now. Treat people as friends, not potential

"Building a relationship is necessarily incremental. You can only truly gain someone's trust and commitment little by little over time."

"The law of probability ensures that the more new people you know, the more opportunities will come your way and the more help you'll get at critical junctures in your career."

customers. Offer your services for free initially (say, at a nonprofit organization) so you can *gradually build your skills, credibility, and network*. By the time you start your business or make a career switch, you'd already have a ready pool of contacts who can provide vital references and world-of-mouth.

Have the courage to ask

It's much easier to stick to people you know than to approach people you don't know and/or ask for help. Be audacious enough to put yourself out there and ask for help or connections. People are often glad for the chance to contribute!

To overcome your fears:

- Realize that *it's normal* to feel anxious and uncomfortable.
- Weigh your fear of embarrassment/rejection against the *price of failing* in your goal/mission.
- Make a *commitment to improve*. For example, you can learn from role models who're great with people, improve your speaking skills (e.g. join the Toastmasters club, get a coach or join a course), practice your interpersonal skills in a club/community, or challenge yourself to meet 1 new person a week.

Don't be a networking jerk

Seek to build meaningful relationships. *Don't* swoop around shaking hands and collecting cards, engage in gossip, or blast out mass emails. *Do* have something meaningful to share, treat everyone with respect, honesty and transparency, and make genuine personal connections.

Develop the Required Skills

Be intentional about who you meet, how you meet them, and the impression you create.

KEY QUOTES

"Nothing in my life has created opportunity like a willingness to ask, whatever the situation."

"The choice isn't between success and failure; it's between choosing risk and striving for greatness, or risking nothing and being certain of mediocrity."

"Being liked can be the most potent, constructive force for getting business done."

Do your homework

Develop your name list. After you've defined your mission and interim goals, you must identify the names of specific people who can help you to get there.

- Start with people in your *existing network*, which is wider than you think. Consider the people connected to your relatives (and *their* friends), current and former colleagues, members of social/professional/religious groups, your children's friends' parents, former teachers/employers, existing suppliers etc.

- Keep expanding your *aspiration list*, i.e. the people you'd want to know but may not know yet. Organize your list using an app or software.

Always prepare before a meeting: research about their company, industry or job, their personal affiliations, and read up on articles written by or about them. Your goal is to get to know them as human beings: what they feel strongly about in/out of work, including their interests, hobbies, goals and challenges. Consolidate the points into a 1-page synopsis. Use the insights to connect with the person emotionally and start a real friendship.

Approaching new contacts

Don't make cold calls. Instead, warm up the cold leads in advance.

- Once you've researched the person's interests and associations, work backward to find people you know who're involved in similar causes/circles. Ask for an *introduction* or referral. If people are busy or slow to respond to your request, just put aside your ego and keep reaching out.

- Once you have the contact or referral, persist until you've set up a meeting. Use these *4 rules to warm up the call*:

  (i) Establish *credibility*: mention the familiar person/organization who referred you.

KEY QUOTES

"Find a way to become part of those things that are of most interest to them, and you will have found a way to become part of their life."

"Cold calls are for suckers. I don't call cold—ever."

"Selling is, reduced to its essence, solving another person's problems. And you can only do that when you know what those problems are."

(ii) State your *value proposition*, i.e. how you can solve their problem. Give just enough info to be enticing.

(iii) Convey both *urgency and convenience*: suggest follow-up details and state that you'll do what's needed to meet on their terms.

(iv) Start big and offer a *compromise* to secure a follow-up.

Manage gatekeepers artfully. See them as your allies and associates, and treat them with respect and dignity. Be persistent but not aggressive, always express appreciation for their help and never offend them. Remember: gatekeepers have a job to do. It's your responsibility to show why their boss should hear from you, e.g. make it clear that you were referred by the boss's friend or associate.

Be visible

Fill your social and events calendar. Never eat alone.

- Find meaningful ways to *multiply your time and network*. For instance, instead of meeting 3 people separately, you can invite all 3 to dinner. This allows you to concurrently meet more people *and* connect others in your network. You can always add some 1-1 time before/ after dinner for deeper interactions.

- *Go for quality over quantity*. It's much better to make a quality connection in a first-class flight cabin than to meet a bunch of desperate job-seekers at a networking event.

Share your passions. Focus on what you excel in or are passionate about—you'll be much more comfortable and compelling in those areas. If you love food, music and sports, then invite people to join you for meals, concerts and sporting events. Match people's interests to the events.

Follow up consistently

People won't remember you unless you rigorously follow-up with them. Always follow up within 12-24 hours from a meeting.

KEY QUOTES

"Always respect the gatekeeper's power. Treat them with the dignity they deserve."

"The more new connections you establish, the more opportunities you'll have to make even more new connections."

"Shared interests are the basic building blocks of any relationship."

"The follow-up is the hammer and nails of your networking tool kit."

- Express your pleasure and gratitude for the meeting, cite a common interest that you discussed, and thank them by name. You can also send relevant information on an issue they're facing, or send an additional handwritten thank-you note for a personal touch. *Focus on what you can do for them* (not vice versa).

- If any *commitments* were made, recap it in writing and arrange for a next meeting. For example, "I enjoyed our discussion yesterday. I've given some thought to [the issue discussed] and how [my company] can help to advance [your goal]. When I'm next in town, I'd love to arrange to meet for 5-10 minutes so I can share some of these finer details."

- Update *the person who referred you* and thank them for the help.

KEY QUOTES

"Conferences are good for mainly one thing. They provide a forum to meet the kind of like-minded people who can help you fulfil your mission and goals."

"As an information resource, you're someone always worth knowing."

Become a conference commando

Don't attend conferences to listen to the speakers or sell your products. Your goal should be to meet like-minded people who can advance your mission. Get them to like you and set up follow-up discussions *after* the conference.

Get the most from conferences using these tips:

- Focus on *the people, not the content*. Only attend conferences if the value of the potential relationships outweigh the fees and time spent.

- *Help or be the organizer*. Volunteer your services so you can get inside information on the attendees and the best events for networking.

- Familiarize yourself with the event details and establish yourself as a *go-to info source* so people will want to connect with you.

- *Be a speaker*: This is one of the best ways to build visibility, credibility, and connect with other speakers/ participants. Just get to know the organizer and have great content that's relevant to the conference guests.

- *Organize your own event(s)* within the conference, e.g. host a private tour or dinner/drinks to informally discuss a topic.

- Identify the most *prominent figures* at the conference, attend their sessions and make an impression early (before their talk). They can open the doors to other key people at the conference.

- *Know your targets*. At each conference, Ferrazzi focuses on checking off a list of 3-4 key people whom he wants to meet. Strategically "bump" into them. Have a pre-prepared sound bite, i.e. 2-3 sentences that convey what you can do for them.

- *Master the "Deep Bump"*. Once you bump into your target, you have only 2 minutes to make a deep connection so they'll like you and agree to reconnect again later.

- Make sure you *follow up* after the conference.

KEY QUOTES

"Don't think of your next conference as a business-related retreat. Think of it as a well-coordinated campaign to further your mission."

Expand your social circle

Connect with the super-connectors. Generally, we're just 6 degrees away from anyone else in the world because someone will know someone who knows someone etc. *Super-connectors* are those who know thousands of people (from different worlds or social circles) well enough to give them a call. Once you're familiar with a super connector, you're just 2 degrees away from any person you wish to know. A disproportionate number of super-connectors can be found in these 7 professions: restaurateurs, headhunters, lobbyists, fundraisers, politicians, journalists, and PR specialists.

"In one word: Connect. In four better words: Connect with the connectors."

Another efficient way to grow your network is to link your circle with someone else's.

- Identify the world you want to access, and *exchange networks* with a key figure in that world. For instance, to meet doctors for your new product, you can host dinners for a well-connected doctor and his contacts, while similarly linking him to relevant contacts in your network.

"The underlying dynamic at work has to be mutual benefit. It should be a win-win for all involved."

- This requires *mutual contribution and trust* between the 2 partners. Set clear expectations upfront, and ensure that your contacts also benefit from the connections. Never give anyone full access to all your contacts.

Master the art of small talk

The goal of small talk is to start a conversation, engage the other person and leave with them with a deep liking for you. The best way to stand out is simply to be yourself. Dare to be vulnerable and share from the heart. In so doing, you invite others to open up, allowing commonalities to surface and real bonds to be formed.

- *Nonverbal cues* are vital in creating positive first impressions. Give a warm smile, maintain eye contact, nod, lean in slightly, and add a light touch on the elbow if appropriate.

- Be prepared with *conversational content* on current affairs or a niche/specialty you're passionate about.

- *Make them feel special*. Be genuinely interested in what they say. Ask questions, listen fully, nod, laugh at their jokes, and always remember their name.

- Match or *mirror the other person's Johari Window* or how much you reveal of yourself.

- Exit gracefully. End with an *invitation to meet again*.

Convert Connections Into Compatriots

Create an emotional impact thru' health, wealth & children

When you help someone to achieve what they really want, you win their loyalty and create deep bonds that last the test of time.

Often, people's deepest desires come down to one of 3 things: making money, finding love, or changing the world.

KEY QUOTES

"Charm is simply a matter of being yourself. Your uniqueness is your power."

"Power, today, comes from sharing information, not with holding it."

"When you understand someone else's mission...that will help you create deep, long-lasting bonds."

- *Self-actualization* (the desire to maximize one's potential) is at the top of Maslow's hierarchy of human needs.

- But to get there, you must first meet your basic needs. When you help someone through a *health* crisis, improve their personal *wealth*, or show genuine interest in their *children*, you address their basic needs while empowering them to move up Maslow's hierarchy to seek higher aspirations, thus creating a big emotional impact. However, if you make empty promises and fail to deliver on these important issues, it'll also backfire.

Practice social arbitrage

The best way to gain power is to become indispensable to others by brokering contacts, information and goodwill. Social arbitrage is about linking people and opportunities from different worlds that wouldn't otherwise meet.

- You can *introduce people* from different circles who can mutually benefit, e.g. a friend who urgently needs to find a house and a reliable realtor who specializes in that area.

- You can also *trade in knowledge*, e.g. reading up on a topic, then share the insights with people who can benefit from them. Or, pass on the insights from 1 party to another.

Ping constantly

The only way to remember people (and vice versa) is to constantly stay in touch. "Pinging" is any form of fast, casual greeting.

- In *new relationships*, people must see/hear your name in ≥3 modes of communication (e.g. e-mail, phone call, face-to-face meeting) before they can recognize you.

- To cultivate a *developing relationship*, you must call or e-mail at least once a month.

KEY QUOTES

"It's a sort of ongoing puzzle, matching up the right people and the right opportunities."

"You have to feed the fire of your network or it will wither or die."

- To *convert a contact into a friend*, you need minimally 2 face-to-face meetings outside the office.
- To maintain a *secondary relationship*, you must ping minimally 2-3x per year.

You can ping people anytime, anywhere. Use personal events (e.g. birthdays and anniversaries) as opportunities to reach out. Develop a system for regular pinging:

- *Segment your contacts* based on your goals and mission (e.g. personal, customers, key associates, aspirational contacts).
- *Number each contact* based on the mode/frequency that you'd ping them.
- Create *call lists* by categories (e.g. reach out to people in a certain area or city during your travels).

Find and feed your anchor tenants

A shared meal in the comfort of your home is a great way to bring together people from different worlds and create new friendships.

Find "anchor tenants" or people outside your social circle who're interesting and can bring positive brand associations. Examples include journalists, artists, actors, or C-level executives.

- Once you've successfully invited an anchor tenant to your party, it's easier to attract others who wouldn't normally attend. Have a blend of *energetic, interesting people* you want to do business with, in addition to your friends and family.
- Your main goal is *relationship-building*, so keep your events fun and minimize business agendas.

KEY QUOTES

"When it comes to relationship maintenance, you have to be on your game 24/7, 365 days a year."

"Anyone who can add a little electricity to your dinner party is an anchor tenant."

Trade Up and Give Back

Stand out with interesting content

To stand out as a marketer or networker, you *must* have an interesting, unique point of view and specialized knowledge that others lack. To become a content expert in your field:

- Pick a niche that has real value for you and your company. Immerse yourself in *cutting-edge ideas and info*, and get to know people in that space (e.g. early adopters, knowledge brokers.) Get creative insights by asking lots of questions and connecting the dots between seemingly-separate things.
- Digest and distill the insights into a *clear message* about how these will impact people in your industry or domain.
- *Share* by teaching, writing and speaking about your expertise. Progressively master your brand, content and hooks (i.e. something that interests you and others).
- Your end-goal is to present your content as a *compelling story* that'd move and mobilize people.

Build and broadcast your personal brand

Your personal brand is what people think of when they hear your name. A strong brand builds your network by (i) providing a credible and unique identity, (ii) presenting a compelling message, and (iii) attracting people to you and your cause.

There are 3 steps to developing a strong personal brand:

- *Define your personal branding message (PBM)*, which is the culmination of what we've discussed so far: Mission → Goals → Content → PBM. This should include the words you want people to use when they speak of you.
- *Package your brand* with a distinct style that stands out.

KEY QUOTES

"Being known is just notoriety. But being known for something...That's respect."

"You have to believe in something...for people to believe in you."

"Perception drives reality and that we are all, in some sense, brands."

"The world is your stage. Your message is your "play." The character you portray is your brand. Look the part; live the part."

- *Broadcast your brand*. Once you have great content, present it in a way that'd be picked up by others.

Create a PR strategy to broadcast your brand and create buzz.

- You can engage PR companies as facilitators, but always *take charge of your own PR*. Build personal relationships with the media *before* you need them: contact reporters who cover your industry, send them info and inside scoops, bring them for lunch etc.

- *Help the journalists to do their jobs*. Know the media landscape, each publication's focus and target audience, and tailor your pitch for their audience. Give them a great story and show appreciation for their work.

- Find creative ways to make your pitch sound *original and fresh*. Master your sound bites, i.e. explain in ≤10 seconds why they should write about you *now*. Associate yourself with a celebrity or big name to make your pitch more interesting.

- *Start small* with a local newspaper, magazine, a college paper or even a free industry digital newsletter. The more people write about you, the more other reporters will find you.

You can also write your own articles to boost your visibility and credibility. Figure out your content and hook, pitch your idea to an editor and persist/re-pitch until you get published.

Get close to power

To truly grow your network and influence, you must learn to reach out to important people.

- You can gain power through *internal associations* (e.g. being an assistant or gatekeeper to the decision-makers) or *external associations* (e.g. links with politicians and celebrities).

KEY QUOTES

"If you don't promote yourself, however graciously, no one else will."

"There are no new stories, it has been said, only old stories told in new ways."

- Famous and powerful people are also human beings. To *gain their trust*, you must be discreet, treat them as real people, be genuinely interested in them (not their fame), and help them to achieve their goals and dreams.

There're many places where you can meet powerful people or rising stars. Join a political fundraising campaign, become a conference speaker, support nonprofit organizations, or take up sports (especially golf).

You can also build your own club. Once you've figured out your Unique Selling Proposition (USP) for a cause, passion or expertise, use it as the basis to start your own club. Invite like-minded people to join you and let *them* invite others to grow the club.

As you get closer to powerful people and gain recognition, never get arrogant and entitled. This is a sure way to lose friends and offend people. Stay humble and never forget those who helped you in the past.

Continually find mentors and mentees

Learn from successful and inspiring people. An experienced mentor can make a profound impact on your career.

- The best mentor-mentee relationships are based on *mutual benefits and emotional connections*, e.g. the mentee offers hard work and loyalty in return for the mentor's time and advice. Be humble. Listen carefully to what your mentor has to share. Ask great questions and apply their advice. Consider your mentor's needs, be willing to contribute (e.g. help out in their company or community), and show your gratitude and passion to learn.

Deliberately reach down to help others who haven't "made it" yet.

KEY QUOTES

"Building a community of like-minded people around a common cause or interest is, and has always been, a very compelling proposition in its own right."

"Arrogance is a disease that can betray you into forgetting your real friends and why they're so Important."

"The less you say, the more you'll likely hear."

Make relationship-building a way of life

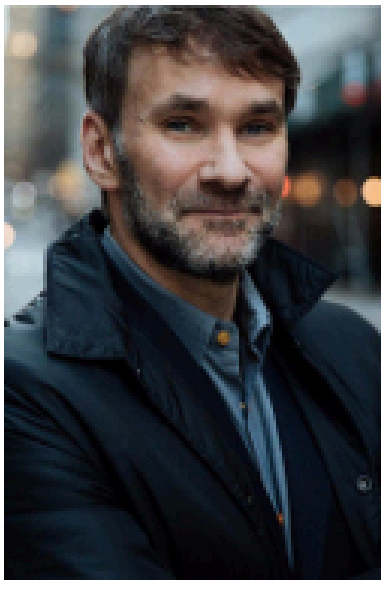
The Internet has removed traditional boundaries and made everything more interdependent. There's no better time to find your blue-flame, connect with others and grow your network.

When you're surrounded by deep, meaningful connections that concurrently serve your work/life goals *and* benefit others, there's no need for "work-life balance". If you're joyful and enthusiastic about what you do each day, then you're already in balance.

Other Details in the Book to Look Out For

This is a practical guidebook for becoming a great connector. For each of the insights captured in this summary, the book also includes other useful tips, ranging from how to host a great party to lines you can use in your interactions. Ferrazzi also includes many examples from his personal experience, with short profile stories of notable relationship-builders such as Bill Clinton, Katharine Graham and Dale Carnegie. For more details, please visit www.keithferrazzi.com.

About the Author

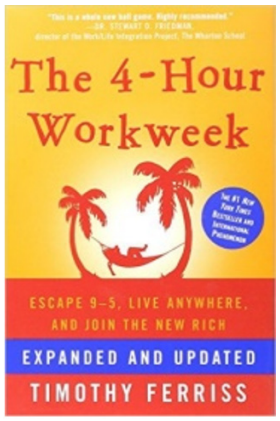


Keith Ferrazzi is an American author and entrepreneur. He's the founder and CEO of research and consulting firm Ferrazzi Greenlight. After graduating from Yale University and Harvard Business School, Ferrazzi joined Deloitte as an entry level analyst and rose to become the chief marketing officer (CMO). At 32, he became Starwood Hotels' CMO—the youngest Fortune 500 CMO at that time. In 2000, he became the CEO of YaYa Media, which was later sold to American Vantage in 2003.

KEY QUOTES

"The best thing about a relationship-driven career is that it isn't a career at all. It's a way of living."

"Life is about work, work is about life, and both are about people."



THE 4-HOUR WORKWEEK

Escape 9-5, Live Anywhere, and Join the New Rich

TIMOTHY FERRISS

The Big "So What"

Most people are resigned to the 9-5 lifestyle, deferring their lives in hope that they'll someday earn enough to retire and live their dreams. This book is about reinventing your life to create time, money and mobility, so you can focus on what truly matters to you. Join the New Rich (NR)—have the freedom to have, do and be what you want, and to live your life fully.

Introduction

To redesign your life, you need to break free from norms, create an automated income stream, and liberate yourself from unproductive tasks. Only then will you have the time and resources to focus on truly meaningful things in life.

This is a detailed "how-to" guide for reinventing your life, including tools, Q&As and action steps, following the 4-step "DEAL" process (or "DELA" for full-time employees). In this summary, we'll outline the main ideas, steps and tips involved. To put the ideas to work, we recommend that you read the entire book and other useful tips from Ferriss' blog.

Step 1: Definition

Define the New Game (and Beat the Rules)

To become a part of the NR and enjoy an extraordinary life, you must understand the rules and objectives of the new game. The goal is not to stop work or do nothing, nor is it to work hard now to enjoy life later. It's about creating the freedom of time, money and location, so you can design and live the life you want, now.

KEY QUOTES

"The New Rich (NR) are those who abandon the deferred-life plan and create luxury lifestyles in the present using the currency of the New Rich: time and mobility."

"Everything popular is wrong."
- Oscar Wilde

"You can make…a lot more money… by doing half of what you are doing now."

"Options – the ability to choose – is real power. This book is all about how to see and create those options with the least effort and cost."

"The goal is not to simply eliminate the bad, which does nothing more than leave you with a vacuum, but to pursue and experience the best in the world."

Time, lifestyle and freedom of choice are valuable to us. In fact, they're probably worth more than the paper value of money per se.

Time. Someone who works 80 hours a week and earns $1 million is probably less well-off than someone who works 20 hours a week and earns $100,000.

Lifestyle. Most of us want to be millionaires because we want the *lifestyle* that the money could bring (e.g. to travel the world or pursue our passions). Rather than slog for the million dollars first, focus on how you can achieve that lifestyle via other alternatives.

Choices. The NR lifestyle is about quality over quantity, and doing the minimum necessary to achieve maximum results. *Doing less* is not about taking shortcuts, but to do what's effective even if it's uncomfortable. Likewise, *achieving more* is not about owning everything, but to have the options to choose what matters to you.

However, don't challenge the norms for the sake of doing so. Do it only if current methods aren't effective. Here are some useful rules of thumb to remember:

The 10 Commandments of the NR Lifestyle

- **Think of retirement as your worst-case scenario.** Why slog or spend the bulk of your life doing what you dislike, then spend the rest of your days trying make do with whatever savings or physical conditions you have? Treat retirement as your fall-back plan, not your goal.

- Instead, immerse yourself fully in meaningful work, and take "mini-retirements" to fully recharge your batteries. This allows you to **harness the cyclical nature of interest and energy**, keeping you more productive and energized.

- **Less isn't laziness**. Laziness is blindly following what everyone does, *not* spending less time at work. Focus your effort on doing what's meaningful and productive.

- **There's no "right time",** so stop waiting for it. Get started and make refinements along the way.

KEY QUOTES

"The question is… How can I achieve the millionaire lifestyle of complete freedom without first having $1,000,000?"

"Money is multiplied in practical value depending on the number of W's you control in your life: what you do, when you do it, where you do it, and with whom you do it. I call this the 'freedom multiplier'."

"Retirement planning is like life insurance. It should be viewed as nothing more than a hedge against the absolute worst-case scenario."

"Alternating periods of activity and rest is necessary to survive, let alone thrive."

"Doing less meaningless work, so that you can focus on things of greater personal importance, is NOT laziness."

- **Don't wait for permission** to do what you want. At worst, take action first, and seek forgiveness if it really turns out badly.

- **Focus on strengths, not weaknesses.** Fixing weaknesses gives marginal improvements while using strengths multiply results.

- **Too much of anything isn't good**. Too much time and money isn't desirable—use your free time wisely.

- Money is useful, but **money alone won't solve all problems**.

- **Measure wealth using relative income,** i.e. money and time, rather than just absolute income (just money).

- **Remove distress, increase eustress**. Distress can harm us, while eustress ("healthy stress") can bring growth and happiness.

KEY QUOTES

"If it isn't going to devastate those around you, try it and then justify it… Most people are fast to stop you before you get started but hesitant to get in the way if you're moving."

"(Ask) for forgiveness instead of permission."

"Focus on better use of your best weapons instead of constant repair."

Define the New Game (and Beat the Rules)

Most of us are held back by our fear of the unknown. To conquer your fears, start by defining them—It'd probably become obvious that the life-changing outcome of your best-case scenario far outweighs of the risks of the worst-case scenario. This realization was what prompted Ferriss to buy a 1-way ticket to Europe and take a 1-year sabbatical from his business.

"Measure the cost of inaction, realize the unlikelihood and repairability of most missteps, and develop the most important habit of those who excel and enjoy doing so: action."

Start defining your fears with these questions:

- What's your worst fear and what's the worst thing that could happen if it's realized?

- If this worst case happened, what can you do to repair the damage or improve the situation?

- Besides the worst-case scenario, what are the more probable scenarios and their short- and long- term benefits?

- If you were fired from your job today, what would you have done to manage your financial situation?

"What we fear doing most is usually what we most need to do."

"A person's success in life can usually be measured by the number of uncomfortable conversations he or she is willing to have."

- What's the cost of your inaction—financial, emotional, physical—relative to the cost of action?

- What's holding you back?

Define your Dreams (with Dream-lining)

Rather than focus on your fear of possible failures, you should be concerned about wasting your life doing things that bore you. Start by asking: what will excite you?

The most exciting options are often also "unrealistic" ones. Rather than dismiss your dreams, use "Dreamlining" to break down your dreams into concrete timelines and actions. You can refer to detailed worksheets and tools on his blog. Here's an overview of the process:

Define your dream (what you'd do if you could not fail). Create a *6 and 12 month timeline*, listing up to 5 things you wish to *have*, *be* and *do* (in that sequence).

- Don't worry if they're realistic.
- Define what "being" means in terms of activity (e.g. "being a great dancer" could mean performing with an international dance troupe).

Identify the **4 key and most exciting dreams** from your 6- and 12-month lists, and work out **how much they'll cost**.

- Break the figures down into your *Target Monthly Income (TMI)* and *Target Daily Income (TDI)*.
- The number is often less than expected, especially when you start to *declutter your life*—itemize your monthly expenses and identify non-essentials that can be removed.

Identify **3 steps for each of the 4 dreams** in the 6 month timeline.

- *Do research*, and seek advice from someone who has done it before.
- Break these down further into simple and well-defined

KEY QUOTES

"Remember – boredom is the enemy, not some abstract 'failure."

"Excitement is the more practical synonym for happiness, and it is precisely what you should strive to chase. It is the cure-all."

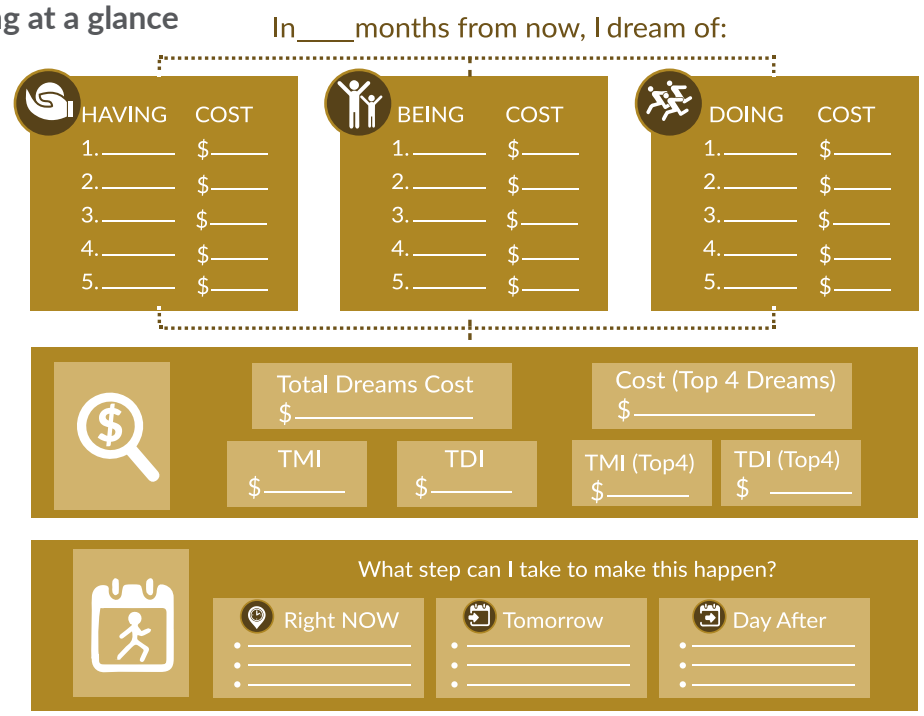
"Dreamlining is so named because it applies timelines to what most would consider dreams."

"I'm not a big believer in long-term planning and far-off goals…I generally set 3-month and 6-month dreamlines."

"Tomorrow becomes never. No matter how small the task, take the first step now!"

activities to complete (a) *now* (b) *tomorrow* before 11am and (c) the *day after* before 11 am. Don't over-analyze or seek perfection – just take action.

Dreamlining at a glance



Step 2: Elimination

Be Effective: Free up your time

Busyness is often an excuse to avoid doing what we should. The book contains numerous tips to help you improve personal productivity. Your goal is to increase your income and flexibility (for employees) or to prepare for automation to liberate yourself (for entrepreneurs).

To get productive, you need to focus on doing the right things first (effectiveness), before doing it right (efficiency). There are **2 laws you must understand and apply**:

Pareto's Law: 80% of your outputs will come from 20% of your inputs. Ferriss found that 5 of his 120 wholesale customers brought in 95% of his revenues; the bottom clients were giving him 100% of the problems. The same thing happened for advertising, affiliates and partners. By eliminating the less productive majority, he freed up time and unproductive energy.

Pakinson's Law: Work will expand to fill the allotted time. Thus, working 9-5 is inefficient - you'll create activities to fill that time.

KEY QUOTES

"Being busy is most often used as a guise for avoiding the few critically important but uncomfortable actions."

"Efficiency is still important, but it is useless unless applied to the right things."

"More customers is not automatically more income… maximum income from minimal necessary effort…is the primary goal."

Aim for "fat-free performance", to free up time for meaningful things:

Develop a to-do list, and a not-to-do list, by identifying the 20% of sources that are causing 80% of your problems, and the 20% of sources that are bringing you 80% of positive results.

Use questions like these to trigger answers:

- If you suffered a heart attack and could only work 4 hours a week, what would you do and how would you do it?
- If you could only achieve one thing today, what will make you feel satisfied and fulfilled with your day?

Reduce time for work. Shorten your deadlines so you're forced to take focused action. Take 1-2 days off a week to force yourself to prioritize your time. At least thrice a day, set reminders to ask yourself if you're creating work to avoid do the important things.

Use single-tasking. Multi-tasking gets less (not more) done.

Adopt a Low-Information Diet

We are surrounded by too much (and often wrong) information which hinders productive action. Ferriss personally doesn't read the news, and only checks his business emails for an hour each week. To keep abreast of what's going on, he asks people, "What's new in the world?", and pays attention to what others talk about.

Ferriss advocates that we pay attention only to information that's relevant, important and actionable. Here are some ideas in the book:

Go on a **1-week media fast immediately**. Lay off *all* news, web-surfing (unless needed for a specific work task), and redirect the time toward your family, friends and colleagues. As a last resort, get a 5-minute update from a well-informed contact.

Get data only *if* you'll definitely use it for something **immediate and important**. Otherwise, you'll end up repeating the process.

Learn to stop. It's ok to not-finish something if it's useless.

KEY QUOTES

"Simplicity requires ruthlessness…what would you eliminate to keep the negative effect on income to a minimum?"

"One does not accumulate but eliminate. It is not daily increase but daily decrease. The height of cultivation always runs to simplicity."

- Bruce Lee

"Problems, as a rule, solve themselves or disappear if you remove yourself as an information bottleneck and empower others."

"It is imperative that you learn to ignore or redirect all information and interruptions that are irrelevant, unimportant, or unactionable. Most are all three."

"More is not better, and stopping something is often 10 times better than finishing it."

Learn to Say No

Constant interruptions are a major time-waster. To master your time, set the rules in your favour:

Limit your accessibility. Identify what you can ignore or minimize, with little/ no ramifications, and "train" people to define their objectives before investing time with them. For example:

- *Emails*: Turn off email alerts. Only check your email 1-2x daily (during non-prime hours like 12pm and 4pm);
- *Phone-calls*: Limit time on the phone, e.g. separate your work number from an urgent-only number, start each call by stating you only have a few minutes, and ask how you can help (rather than engage in idle chit-chat);
- *Meetings*: Ferris shares many tips on how you can refuse or avoid meetings, e.g. use lines like "I can't be at the meeting, but I'll catch up later", don't accept "casual visitors" at your cubicle, keep meetings to 30 minutes, and use them only to make decisions for pre-defined problems.

Batch repetitive activities. Use time-batching for routine, menial tasks or requests, so you reduce setup costs and free up time for more important priorities. Group these repetitive tasks into batches, e.g. batching your emails, errands, bills.

Minimize interruptions. When people cannot complete a small task without prior data or approval, you get interrupted unnecessarily. The key is to set up, or request, clear rules and guidelines to facilitate autonomy (and review them occasionally):

- If you are a *micromanaged employee*, initiate an open chat with your boss; say you wish to be more productive and to interrupt him/ her less.
- If you are a *micromanaging entrepreneur*, learn to empower others to act, e.g. train your team to approach you only with proposed solutions for approval, rather than for answers.

KEY QUOTES

"Do your own thinking independently. Be the chess player, not the chess piece."
- Ralph Charell

"Learn to be difficult when it counts. In school as in life, having a reputation for being assertive will help you receive preferential treatment without having to beg or fight for it every time."

"Don't suffer fools or you'll become one."

"It is your job to train those around you to be effective and efficient. No one else will do it for you."

"People are smarter than you think. Give them a chance to prove themselves."

Check out the book for a comprehensive list of tools, apps and tips to help you get more effective, efficient, and free up your time.

Step 3: Automation

To design your NR lifestyle, you'll need a steady source of income. The conventional approach is to find a well-paying job (even if it takes up the bulk of your time). A better way is to build a "muse"—an automated revenue-generator that brings in cash without your hands-on involvement. Unlike a conventional business, a muse is in line with what you really want to do, and is less business-like.

Learn to Outsource and work with Virtual Assistants

If you recall, our goal is be able to run a business from anywhere in the world (ideally without your direct involvement). To do so, you must learn to outsource effectively. The key is to refine your rules and processes, so you can automate the process, delegate low-value tasks to focus on the high-value ones.

- By outsourcing low-end tasks (e.g. research, email administration) to smart, capable virtual assistants (VAs) from countries like India, you can focus your time on more meaningful activities. Even if you earned $25 an hour, and paid $30 an hour to a high-quality assistant, it would still be worth it, if the assistant could do the job much faster and better.

- If you are an employee, you can start by outsourcing personal items like errands, or delegating work tasks that don't require you to share your company or work details (e.g. research).

Here are some important outsourcing tips:

- **Delegate what's clear**. Before you delegate tasks, make sure you've eliminated the unnecessary (Step 2 above), and are clear on the scope and rules—delegate only tasks that are well-defined and time-consuming.

- **Remote vs local**. Outsourcing to less developed countries has its benefits, including lower per-hour costs, currency exchange savings, and time zone differences (so your team can work while you sleep). You may want to consider paying more for experience and native speakers, to minimize the need for "hand-holding".

KEY QUOTES

"Find your focus and you'll find your lifestyle."

"Becoming a member of the NR is not just about working smarter. It's about building a system to replace yourself."

"Refine rules and processes before adding people."

"Cash flow and time. With these two currencies, all other things are possible. Without them, nothing is possible."

"Eliminate before you delegate. Never automate something that can be eliminated, and never delegate something that can be automated or streamlined."

"Unless something is well-defined and important, no one should do it."

- You won't know who to hire until you **try out a few candidates**.
    - Use a *trial project* to test suitability/ capability;
    - Assess *per-task cost* rather than per-hour cost, and remember to set a time-cap or budget-cap for each task;
    - If possible, use a *VA firm with at least 3 people*, rather than solo freelancers, to avoid a single point of failure; and
    - Ferriss also shared many *other tips* e.g. how to set priorities and instructions, and protect confidential information via NDAs.
- Learn to **have fun** in the process.

Build your Muse

There are 4 key steps to finding and building your muse:

Step 1: Market Selection. Pick a profitable niche market which you can affordably reach, and define your target customers:

- Consider the social, industrial or professional groups you belong to, and/or are familiar with (e.g. doctors, dancers, engineers).
- Identify the groups that have their own magazines, with full-page ads that cost less than $5,000.

Step 2: Product Brainstorm. Think of products that you can find or develop, which your customers will likely buy:

- It's easier to *satisfy existing* demand than to build new demand. Figure out your customers' pain points, to identify products that they'll be willing to buy.
- Do not invest in the products yet; start by creating ads *that can be tested* with real customers.
- Check that your product can be *automated*, using these criteria:

(i) The main benefit can be summarized in 1 sentence, and the product can be explainable in a good online FAQ;

KEY QUOTES

"Using people to leverage a refined process multiples production; using people as a solution to a poor process multiples problems."

"This…is not for people who want to run businesses but for those who want to won businesses and spend no time on them."

"Creating demand is hard. Filling demand is much easier."

(ii) It can be sold for $50-200 (not cheap nor high-maintenance);
(iii) It has a good margin of ideally 8-10x; and
(iv) It can be produced in 3-4 weeks.

- There are *3 ways to get a product* that meets the criteria above:

  (i) *Resell a product:* This option is the fastest, but also least profitable and most vulnerable to competition.

  (ii) *License a product*: Usually, the licensor gets lower fees (3-10% of sales), and the licensee produces/ sells the products for the remaining 90-97%. This is profitable for both licensor and licensee, but the deal-making processes can be complex.

  (iii) *Create a product*: One of the best products to create are information products, which are low-cost and quick to produce [In the book, Ferriss provides many tips on how to develop your product].

Step 3: Micro-Test your products with the 3-part strategy below to ensure they're commercially sound, before producing them.

- *Study your best competitor* and create a better offer on a basic 1-3 page website. [Refer to pxmethod.com on how to setup a testimonial-rich webpage that highlights your unique factors].

- *Test actual responses* with real customers, using eBay auctions, or Google Adwords campaigns detailed in the book (or refer to Ferriss' blog for more PPC/ Google AdWords strategies).

- *Review the results*, dropping obvious losers and manufacturing the winner(s) for sales rollout.

Step 4: Rollout and Automation. People management is one of the most complex parts of a business. Since our goal is to create a business which can run itself, Ferriss suggests that you operate your business via "remote control", away from your team. That way, you'll be forced to develop rules, and empower people to solve problems. Ferris' company, Brain-QUICKEN LLC, was run by 200-300 people, but he was the only employee - he focused his efforts on policing and refining the system.

KEY QUOTES

"I tell you to solve the problem by eliminating it altogether. Remove the human element".

"Limiting contact with managers forces the entrepreneur to develop operational rules that enable others to deal with problems themselves instead of calling for help."

In the book, he recommends how you can gradually remove yourself from the day-to-day operations of your business, over 3 phases. Some recommendations include:

- *Progressively outsource every step of your business* to specialist companies who can scale up as your business expands, and allow the various outsourced partners to communicate among themselves.

- *Minimize the number of decisions for your customers*, e.g. offer only 1-2 purchase options, provide only 1 fast shipping option (charged at a premium), and avoid overnight or international shipments (which are more complex).

- When your business has a steady income stream, start to *filter out the bad customers* from the good ones. For example, offer a low-priced starter product instead of a free sample, to weed out those who won't buy from you.

- Offer a *lose-win guarantee* to completely remove the risk for the customer, e.g. Dominos promises that your pizza is free if it's not delivered in 30 minutes.

KEY QUOTES

"Our goal isn't to create a business that is as large as possible, but rather a business that bothers us as little as possible."

"The art of 'undecision' refers to minimizing the number of decisions your customers can or need to make."

Step 4: Liberation

Liberation means having the mobility to run your business from anywhere in the world. This involves 3 key components or phases.

"The New Rich are defined by a more elusive power than simple cash – unrestricted mobility."

Free yourself geographically

If you are an entrepreneur, you'll need to free yourself from the "boss mentality", and remove constraints that tie you to a fixed location. If you are an employee, you'll need to plan an "escape" from your boss and office—here's how you can achieve that in 5 steps:

"The new mantra is this : Work wherever and whenever you want, but get your work done."

- Speak with your boss to take up **additional training** that can improve your productivity—the more the company invests in you, the greater its cost of losing you.

- **Call in sick for 2 days and work from home**, ensuring you produce better work. Develop a bullet point list of how you achieved more outside the office, and quantify the business benefits.

- Casually mention to your boss that you were surprised at how much more you achieved while you were away. **Propose a revocable trial** for two days a week, for the next two weeks – highlighting that your boss can veto it anytime if there are work contingencies. Make sure you produce better results from home.

- Set a follow-up meeting with your boss to compare the results of working from home vs office, and propose to **expand the remote hours** (e.g. 4 days each week on a trial basis). Again, your boss has full veto powers to change the arrangement any time.

- Keep following up until you can propose a **permanent work arrangement** away from office. With a solid business case, your boss has no reason to refuse. In the event that he/she refuses, you should consider if it's time to take the plunge and resign. Ferriss addresses several fears or concerns that hold people back from quitting, with tips on how to manage the transition, e.g. knowing how long you can survive financially without a job, and filling up your transition periods with interesting projects so your resume looks colourful.

KEY QUOTES

"Being able to quit things that don't work is integral to being a winner."

"It's not that you don't know what to do... You are just terrified that you might end up worse off than you are now."

Take Mini-Retirements

Rather than do "binge travelling" at a stretch after you retire, it's better to take multiple "mini-retirements". It's a lot more enjoyable, less tiring and much more affordable than you think. Taking time out to slow down and free yourself—mentally, emotionally and physically—from the rat-race will also bring you fresh perspectives, and renewed energy for your work/ business.

In the book, Ferris explains mini-retirements in detail, including:

- A break down the **cost of traveling** to show that it's cheaper to take mini-retirements throughout your life, than to try and retire overseas at the end of your career.

- **Common excuses** not to travel (e.g. belongings, children)—he recommends that you let go of things that you don't need or use, as they create clutter and distractions.

- Detailed **steps and Q&As** on how to prepare for your first mini-retirement.

"Add it all up and you may well realize, like I did, that traveling around the world and having the time of your life can save you serious money."

Focus on Something Meaningful

Even if you are living your craziest dream—e.g. dropping everything and moving to the Caribbean—you will probably start to feel bored after a while. Having too much idle time and doing nothing can actually make you depressed. It's better to use your free time to live fully, to do and be more.

- One of the best ways is to **keep learning**—pick up a new skill, hobby, or language. Learning a new language can be especially meaningful, as it sharpens your mind and gives you new lenses to view and understand the world.

- There are many things that we can do to improve others' life. **Offer your service** to a cause you believe in; don't try to justify it.

- Try out a new part-time or full-time **vocation** that fulfills you.

- Don't dwell on what to do with your life, or how to find your true calling. The ideas above are merely starting points that lead you to new paths and options. **Just start doing something that fulfills you**, and let things unfold naturally. If you're still feeling lost, check out more ideas in the book to get yourself started.

Other Details in the Book to Look Out For

This is essentially a workbook to help you think about, and more importantly, take action toward your dream lifestyle. Although there are enough "how-to" tips to guide you through the process step-by-step, the biggest takeaway is probably the message that, by learning to think for yourself and break free from widely-accepted rules, you can create new options for yourself, and live an exceptional life.

It's impossible to capture all the ideas, tips and examples in this summary. Some other useful details to look out for include:

- A set of Q&A and "comfort challenges" at the end of each chapter, designed to increasingly push you out of your comfort zone (e.g. learning to eye-gaze, being a "terrible two" kid); and

KEY QUOTES

"Decreasing income-driven work isn't the end goal. Living more – and becoming more – is."

"Too much free time is no more than fertilizer for self-doubt and assorted mental tail-chasing."

"To live is to learn. I see no other option."

"Service is an attitude. Find the cause or vehicle that interests you most and make no apologies."

"Full-time work isn't bad if it's what you'd rather be doing. This is where we distinguish 'work' from a 'vocation'."

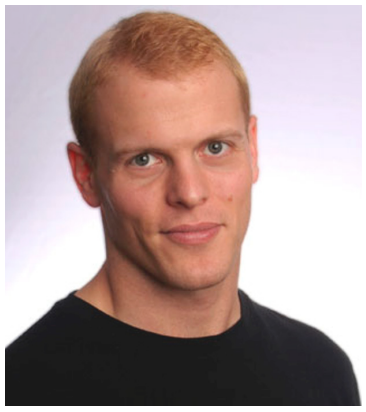
"It's about being smart and putting your effort where it can make the biggest difference for yourself and others."

"It isn't enough to think outside the box. Thinking is passive. Get used to acting outside the box."

- Pages of suggested tools, useful websites, scripts and resources for designing and implementing your NR lifestyle.

For more details, do get a copy of the book, or visit www.fourhourblog.com.

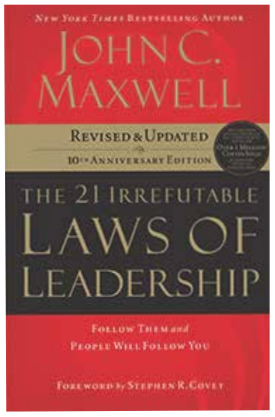
About the Author



Timothy "Tim" Ferriss (born 1977) is an American author, serial entrepreneur and public speaker. In addition to speaking six languages, Ferriss runs a multinational firm from wireless locations worldwide. His eclectic passions include being a world record holder in tango, a national champion in Chinese kickboxing and a guest lecturer at Princeton University in high-tech entrepreneurship and electrical engineering.

He has been profiled by The New York Times, National Geographic Traveler, NBC and Maxim. Ferriss is a graduate of Princeton University. For more details, visit www.fourhourblog.com

KEY QUOTES



THE 21 IRREFUTABLE LAWS OF LEADERSHIP

Follow Them and People will Follow You

By John C. Maxwell

The Big "So What"

"Everything rises and falls on leadership." The book covers 21 principles that help you to become a more powerful and effective leader, based on Maxwell's insights from over 40 years of leadership successes, mistakes, and observations of leaders in business, politics, sports, military etc.

Introduction

The principles of leadership do not change over time, though their application may vary. There are several important points to note:

- To lead well, you must do all 21 things well. Yet, no single person can apply all 21 laws perfectly. Besides constantly improving yourself, the other way is to develop a strong leadership team, so that all 21 laws can be satisfied.
- All 21 laws can be learned and mastered.
- Each law stands alone (hence you need not learn them in sequence) but they complement/reinforce one another.
- The laws bring consequences. People will follow or not follow you, depending on whether you apply or violate the laws.
- The laws need to be applied in real life to form the foundation of leadership.

1. The Law of the Lid

Leadership ability determines a person's level of effectiveness

Your level of effectiveness and accomplishments is determined by your level of leadership. In fact, leadership has a multiplier effect on success – by raising your leadership ability, you can increase your overall effectiveness many times without increasing your success dedication.

KEY QUOTES

"Everything rises and falls on leadership."

"Whatever you will accomplish is restricted by your ability to lead others."

"The higher you want to climb, the more you need leadership. The greater the impact you want to make, the greater your influences needs to be."

Applying the Law of the Lid:

- **List your major goals** - identify those that need others' cooperation
- **Assess your leadership ability** (using the assessment in the book)
- **Ask others** to rate your leadership
- Compare the ratings and **evaluate gaps if any**. Decide how willing you are to grow your own leadership abilities

2. Law of Influence

The true measure of leadership is influence – nothing more, nothing less.

Contrary to myths, leadership is not the same as management, entrepreneurship, knowledge, pioneer-ship, or position.

The proof of leadership is in the followers. People follow leaders due to 7 factors, namely their :

- Character - who they are
- Relationships - who they know
- Knowledge - what they know
- Intuition - what they feel
- Experience - where they've been
- Past successes - what they've done
- Ability - what they can do

Applying the Law of Influence:

- Identify the myths you were susceptible to + **changes in thinking** required
- Rate yourself on & identify ways to **improve the 7 factors**
- Test your leadership abilities - **lead a volunteer organization** for 6 months

3. The Law of Process

Leadership develops daily, not in a day.

KEY QUOTES

"If you don't have influence, you will never be able to lead others."

"True leadership cannot be awarded, appointed or assigned. It comes only from influence, and that cannot be mandated. It must be earned."

"When the real leader speaks, people listen. Leadership is influence – nothing more, nothing less."

Leadership is like investing – it compounds over time, and you won't make a fortune overnight. Leaders' abilities to learn, develop and improve their skills set them apart from their followers.

There are **5 phases to leadership growth**:

Phase 1 : I don't know what I don't know – which is a barrier to growth

Phase 2 : I know that I need to know – becoming conscious of your ignorance is a first step to knowledge.

Phase 3 : I know what I don't know – & have a plan for personal growth

Phase 4 : I know and grow, and it starts to show - but leadership is still a conscious effort

Phase 5 : I simply go because of what I know – the ability to lead has become almost automatic.

Applying the Law of Process:

- Create your personal plan for growth
- Provide opportunities for growth to your followers
- Create a culture of growth in your organization

KEY QUOTES

"See what a person is doing every day, day after day, and you'll know who that person is and what he or she is becoming."

"The goal each day must be to get a little better, to build on the previous day's progress."

4. The Law of Navigation

Anyone can steer the ship, but it takes a leader to chart the course

Good leaders are navigators and set the direction for their team. They have a clear vision for their destination, see the entire trip in their minds, understand who and what they need to be successful, and recognize the obstacles in advance. The larger the organization, the harder it is to make a mid-course correction, and the more clearly the leader must see ahead.

Being a good navigator requires preparation

- **Look inward**: Draw on your past success and failures. A good way to learn from past experiences is to do reflective thinking
- **Look outward**: Examine the conditions before making commitments for you and your team
- **Listen to what others have to say** and gather information from multiple sources
- **Balance faith** (confidence to make the trip) **and fact** (of what needs to be done)

"A leader is one who sees more than others see, who sees farther than others see, and who sees before others do."
- Leroy Eims

"Balancing optimism and realism, intuition and planning, faith and fact can be very difficult. But that's what it takes to be effective as a navigating leader."

Applying the Law of the Navigation:

- Set aside time for **reflective thinking** - Reflect weekly, or immediately after every major success or failure.
- **Do your homework**
- Know whether you naturally lean towards faith or fact, & **have someone with the opposite inclination to complement you** in your team

Navigation strategy

Predetermine a course of action
Lay out your goals
Adjust your priorities
Notify key personnel
Allow time for acceptance
Head into action
Expect problems
Always point to the successes
Daily review of your plan

5. The Law of Addition

Leaders add value by serving others

Effective leaders understand that to increase profits, they should add value. They also recognize that it takes many people to build a successful organization; they share and give credit rather than claim credit for themselves.

To lead effectively, it is important not to have unresolved relational conflict with others. When we adopt a genuine attitude of serving others, it removes the wrong leadership agenda, and clears the way for greater achievements.

To know if you are adding value to others, ask this question: *are you making things better for your followers?*

How to add value as a leader:

- Truly value others, and demonstrate that you care
- Make yourself more valuable to others - the more you pursue personal growth, the more you have to offer
- Know and relate to what others value – to do so, listen to others, learn what's valuable to them, then lead based on that

[Maxwell shares a 4th personal guideline - Do things that God values - i.e. treat people with respect, reach out to and serve them. This should be skipped if it does not relate to your faith/beliefs.]

KEY QUOTES

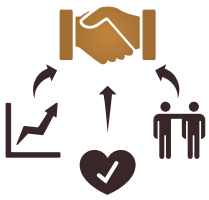
"The bottom line in leadership isn't how far we advance ourselves but how far we advance others."

"Inexperienced leaders are quick to lead before knowing anything about the people they intend to lead. But mature leaders listen, learn and then lead."

Applying the Law of Addition:

- Perform **small acts of service** for others, without seeking recognition or credit. Keep doing it until you feel no resentment doing them.
- List down the **people closest to you**, what they value, and rate how well you know it. Spend time with those you need to get to know better.
- **Start adding value** to the people on your list

6. The Law of Solid Ground



Trust is the Foundation of Leadership

Without trust, there can be no influence. Trust is built when a leader consistently demonstrates competence, connection & character. A sound character is key to building long-term trust for it conveys consistency, potential & builds respect.

When you make a mistake as a leader, others can see it. But, if you have been consistent as a leader, your followers are usually prepared to forgive lapses in ability, especially if you are ready to confess and apologize to regain the trust.

Applying the Law of Solid Ground:

- **Assess how trustworthy you are** to your followers (by how open they are with you) and to your colleagues and leaders (by how much responsibility they entrust to you)
- **Build your character** by focusing on integrity (be totally honest, even when it hurts), authenticity (be yourself with everyone) and discipline (do the right things despite of how you feel)
- Apologize to those you have hurt or betrayed in the past and commit to **slowly re-earn their trust**

7. The Law of Respect

People naturally follow leaders stronger than themselves.

KEY QUOTES

"When it comes to leadership, you just can't take shortcuts, no matter how long you've been leading your people."

"Character makes trust possible. And trust makes leadership possible. That is the Law of Solid Ground."

When people first come together in a group, they all go about their own ways, in different directions. As they interact more, the strongest leaders tend to stand out and people will follow them.

Maxwell observes these ***top 6 ways that leaders gain respect***:

- Natural leadership ability
- Respect for others
- Courage to do what's right, even at the risk of failure
- Success, in terms of past accomplishments and track record
- Loyalty to stick to the team until the job is done, stay with the organization and followers through tough times
- Value added to others

To measure your level of respect as a leader, look at the calibre of the people that you attract, and how they respond when you ask for change or commitment.

Applying the Law of Respect:

- Assess your **current level of leadership**: Review the response you received when you last asked for commitment or change.
- Rate yourself on the **6 leadership qualities**. Identify 1 practice/habit/goal to improve in each area, and work on each one for a month
- **Ask people closest to you** what they respect most about you, and which areas you need most to grow in.

8. The Law of Magnetism

Who you are is who you attract

As leaders, we usually have a mental list of the qualities we want in our people. However, we attract not what we want, but who we are. People are drawn to others with similar characteristics: generation, attitude, background, values, energy levels, giftedness, and leadership ability. Hence:

- If you are dissatisfied with the ability of people you are attracting, improve your leadership skills.
- If you are dissatisfied with the reliability of your followers, develop your character.

KEY QUOTES

"How do leaders earn respect? By making sound decisions, by admitting their mistakes, and by putting what's best for their followers and their organization ahead of their personal agendas."

"Who you attract is not determined by what you want. It's determined by who you are."

- If you are happy with who you are attracting, recruit people who are different from you, to fill your area of weaknesses.

Applying the Law of Magnetism:

- Write down the **qualities you desire** in your followers, and why. Test your self-awareness: ask someone you trust if you have these qualities
- Identify if you need to develop your character and/ or leadership skills. **Find mentors** who can and will help you - ideally from a similar profession and are several steps ahead of you in their career.
- List your 5 biggest strengths and weaknesses in terms of skills. Create a profile of the kind of **people who can take you to the next level**.

9. The Law of Intuition

Leaders evaluate everything with a leadership bias.

We are naturally intuitive in our area of strength, be it communication, arts, etc. How we see people and events is determined by who we are – hence, leaders see things with a leadership bias.

Leaders use informed intuition, i.e. they gather facts and intuitively read what's going on, to make sound decisions. It involves both natural ability and learned skills:

- **Leaders read their situation**: They sense attitudes, team dynamics, when things are improving or declining, and they know it even before they have hard facts like reports and statistics.
- **Leaders read trends**: They step back and look years or decades ahead, beyond individual projects or goals.
- **Leaders read resources**: They intuitively focus on optimizing resources. They look beyond their individual efforts, to mobilize people and leverage resources.
- **Leaders read people**: They sense people - their hopes, fears and concerns - and this is one of the key intuitive leadership skills.
- **Leaders read themselves**: They know their own strengths and weaknesses, skills and blind spots, and current state of mind.

KEY QUOTES

"Who you are dictates what you see."

"Natural ability and learned skills create an informed intuition that makes leadership issues jump out at leaders."

"A leaders has to read the situation and know instinctively what play to call."

"Leadership is really more art than science. The principles of leadership are constant, but the application changes with every leader and every situation. That's why it requires intuition."

Applying the Law of Intuition:

- Determine which is your **strongest natural talent**, and focus on trusting your intuition in that area, before developing it for leadership.
- Improve your **ability to read people** (if you are not strong in it) through books on relationship, conversing more with people and watching people.
- Train yourself to **mobilize people and harness resources** – think through how you can achieve your current projects/ goals without doing the work yourself (except for recruiting, empowering and motivating).

10. The Law of Empowerment

Only secure leaders give power to others

To lead well means to help people reach their potential - build them up, give them resources, authority, responsibility, and autonomy to achieve. The main ingredient of empowerment is belief in people.

Leaders usually fail to empower others due to ***3 key barriers***:

- Desire for job security, i.e. fear of becoming dispensable
- Resistance to change, which is inevitable for progress
- Lack of self-worth, and they can't give power to others because they feel they have no power themselves

Applying the Law of Empowerment:

- Assess your **self-worth and sense of security**. Take positive steps to add value to yourself and improve your self-worth.
- Grow your **belief in people**. Help them to use their gifts & opportunities.
- Learn to **give your power away**: Set your best people up for success.

11. The Law of Connection

Leaders touch a heart before they ask for a hand

KEY QUOTES

"Great leaders gain authority by giving it away."
- James B. Stockdale

"The best executive is the one who has sense enough to pick good men to do what he wants done, and selfrestraint enough to keep from meddling with them while they do it."
- Theodore Roosevelt

"To keep others down, you have to go down with them. And when you do that, you lose any power to lift others up."

We need to connect with people emotionally before we can move them to action. The bigger the challenge, the stronger the connection needed. The stronger the connection, the easier it is to enlist support.

It's the leader's job to initiate connection with the people, not vice versa. The key to connecting with people is to relate to them as individuals, even if they are in a group. When speaking to a large group of people, focus on talking to one person. To connect well:

- **Connect with yourself**: Belief in who you are & where you lead
- **Communicate with openness and sincerity**
- **Know your audience**: learn their names, histories, goals
- **Live your message**: To be credible, practice what you preach
- **Go to where they are**: Remove physical barriers and try to attune yourself to their culture, background, education etc.
- **Focus on them, not yourself**
- **Believe in them**: Communicate not because you have something of value to say, but because you believe your audience has value
- **Offer direction and hope**

Applying the Law of Connection:

- **Connect with yourself** (become more self-aware, value your strengths and deal positively with your weaknesses).
- Maxwell listed **10 questions** for you to assess your level of self-awareness and identify your blind spots
- Learn to "**walk slowly through the crowd**" – spend a few minutes a day building relationships & connecting with people
- If you'd rate yourself <8 out of 10 as a public speaker, improve your **communication skills**.

12. The Law of the Inner Circle

A leader's potential is determined by those closest to him

Your inner circle members are those you turn to for advice, support and assistance. You need to be intentional about who you draw into your inner circle, and to constantly improve yourself and your circle.

To filter good candidates for your inner circle, ask these questions:

KEY QUOTES

"When it comes to working with people, the heart comes before the head."

"The stronger the relationship and connection between individuals, the more likely the follower will want to help the leader."

"People's opinion of us has less to do with what they see in us than it does with what we can help them see in themselves."

"It may sound corny, but it's really true: people don't care how much you know until they know how much you care."

- Do they have **high influence** with others?
- Do they bring a **complementary gift** to the table?
- Do they hold a **strategic position** in the organization?
- Do they **add value** to me and to the organization?
- Do they have a good fit with and **positively impact** other inner circle members?

You should identify and cultivate before you recruit your inner circle members, so you can assess if they display excellence, maturity, and good character in everything they do.

Applying the Law of the Inner Circle:

- List down the names of your inner circle members and what each one contributes. Identify people to **fill gaps and eliminate redundancies**.
- **Develop your current and future inner circle members** by strategically mentoring them/ developing relationships, giving extra responsibilities, accountability and credit.
- Create a **smaller inner circle group** if you are leading a large team.

KEY QUOTES

"Only if you reach your potential as a leader do your people have a chance to reach their potential."

"You can do what I cannot do. I can do what you cannot do. Together we can do great things."
- Mother Teresa

13. The Law of the Picture

People do what people see

Great leaders show the way with the right *actions*, which are copied by their followers to success. Leaders understand the ***role of the vision***:

- A mission provides the purpose or the "why"
- A vision provides a picture of the "what"
- A strategy provides a plan or the "how"

Besides having a clear vision of the future and what must be done, leaders bridge the vision gap between them and their followers. To bring the picture alive, **they don't just communicate the vision; they effectively model the vision, setting the right example and showing the way**. Such clarity and credibility produces belief, energy, passion, and motivation for people to keep going.

"Great leaders always seem to embody two seemingly disparate qualities. They are both highly visionary and highly practical."

"Followers may doubt what their leaders say, but they usually believe what they do."

"More than anything else, employees want leaders whose beliefs and actions line up. They want good models who lead from the front."

Applying the Law of the Picture:

- Give yourself **a character audit**. Review your actions last month against your list of core values - identify gaps & inconsistencies for improvement (in both actions & attitude)
- Ask someone you trust to **observe and note inconsistencies** between what you teach and do. Review the results without defending yourself.
- List **3-5 things you wish people will do better**. Rate yourself - Improve on items with low scores and set visible examples for items with high scores.

14. The Law of Buy-In

People buy into the leader, then the vision

The message being received is always filtered through the messenger. People follow worthy causes because they first buy into worthy leaders who promote those causes. They listen to people whom they believe in, feel are credible, and want to go along with.

Leader + Vision = Results

When followers buy-in to both the leader and the vision, they will follow the leader through any challenge, i.e. both components are eventually needed for breakthrough results. However, people need to first buy into the leader.

Applying the Law of Buy-In:

- Write down the **vision statement** for your leadership & organization. Make sure it is worthy of your time and effort. If not, rethink it.
- **Rate the buy-in** of each person you lead on a scale of 1-10.
- Develop a strategy to **earn credibility** with each person.

15. The Law of the Big Mo

Momentum is a leader's best friend.

KEY QUOTES

"The leader finds the dream and then the people. The people find the leader and then the dream."

"Every message that people receive is filtered through the messenger who delivers it."

Often, momentum is the determining factor between losing & winning. An organization or team with momentum is like a train moving at high speed that can plough through obstacles. ***The Big Mo…***

- **Is a great exaggerator.** It magnifies both obstacles & possibilities to make them look bigger than they really are.
- **Makes leaders look better than they are.** A leader starts getting credit when he creates success for his team, and this is compounded over time to make him seem more successful.
- **Helps followers perform better than they are.** With the Big Mo, even average people can deliver above-average results.
- **Is easier to steer than to start.**
- **Is the most powerful change agent.** People are more willing to be a part of the change if there's strong momentum and past successes.
- **Is the leader's responsibility.** Leaders should initiate and sustain momentum, as they have the vision and ability to assemble/ motivate a team.
- **Begins inside the leader:** A leader drives his vision consistently and enthusiastically, until enough momentum is generated.
- If you are faced with a huge inertia and massive negativity, the only way to create positive momentum is **to start small and gradually build up momentum over time**, until it reaches a tipping point.

Applying the Law of the Big Mo:

- Check in on yourself: Are you consistently enthusiastic about your vision?
- Identify demotivating factors in your team & how you can remove/minimize them
- Celebrate and reward accomplishments in your team

16. The Law of Victory

Leaders find a way for the team to win.

Victorious leaders don't accept defeat. To them, there's no alternative to winning & they keep fighting till they succeed. In fact, great leaders are at their best when faced with a great challenge that pushes them to do whatever it takes to bring their people to victory.

KEY QUOTES

"When you have no momentum, even the simplest tasks seem impossible…When you have momentum on your side, the future looks bright, obstacles appear small, and troubles seem inconsequential."

"Momentum is like a magnifying glass; it makes things look bigger than they really are."

"Getting started is a struggle, but once you're moving forward, you can really start to do some amazing things."

"Given enough momentum, nearly any kind of change is possible in an organization."
"You cannot kindle a fire in any other heart until it is burning within your own."
- Eleanor Doan

There are ***3 components of victory*** in any field or domain:

- **Unified vision**, with all players working towards the same agenda
- **Diverse skills**, and an appreciation for each unique skill
- **Right leadership**, i.e. a leader who's dedicated to victory, and brings players to their potential, towards the common vision

Applying the Law of Victory:

- **Be absolutely dedicated** to the success of your team. If not, it is either the wrong vision, or you are in the wrong organization/ leadership role.
- List down all the skills needed to achieve your goals. Bring the **right members** on your team/ train current members.
- Speak with individual team members to understand what they value. Consistently **articulate a single vision** that aligns all members' goals.

17. The Law of Priorities

Leaders understand that activity is not necessarily accomplishment

Not every leader practices prioritization because:

- They confuse activity with accomplishments.
- It's hard work, as prioritization means constantly thinking ahead, and working to align the moving pieces with the vision.
- It involves doing what's uncomfortable or painful

To become more effective, ***prioritize your lives using the 3Rs***:

1. **What is Required?** What must you do that nobody can or should do for you? Focus on those and eliminate/ delegate the rest.
2. **What gives the greatest Return?** Focus on your natural gifts and strengths to get more productive and fulfilled. If something can be done 80% as well by someone else, delegate it.
3. **What brings the greatest Reward?** Make time for the things that gives you greatest personal satisfaction.

Use similar considerations to prioritize and make decisions ***at an organizational level***.

KEY QUOTES

"Victorious leaders have one thing in common: they share an unwillingness to accept defeat."

"When the pressure is on, great leaders are at their best. Whatever is inside them comes to the surface."

"Busyness does not equal productivity. Activity is not necessarily accomplishment."

"Leaders should get out of their comfort zone but stay in their strength zone."

"Passion provides the fuel in a person's life to keep him going."

Applying the Law of Priorities:

- Identify an area in your life that is not working well. Determine how you can solve the issue and realign your priorities.
- Write down your answers to the 3Rs. Create a list of the things you are doing that don't fit solidly into one of the 3Rs: redesign or eliminate them
- Regularly revisit the priorities for you and your team

18. The Law of Sacrifice

A leader must give up to go up

True leadership is not all about freedom, power and wealth. It requires sacrifice, to trade something of value that you possess, for something even more valuable that you don't yet possess. Leaders may not even see the success from their sacrifices, but someone in the future will benefit from it.

- **There is no success without sacrifice**: Good leaders understand trade-offs. They sacrifice the good for the great.
- **Leaders are often asked to give up more than others**: With greater responsibilities comes greater sacrifice. Good leaders prioritise what's right for the team, ahead of themselves.
- **You must keep giving up to stay up**: Successful leaders continuously change, improve and sacrifice.
- **The higher the level of leadership, the greater the sacrifice**

Applying the Law of Sacrifice:

- **Create 2 lists** – the things you are willing to give up, vs those you are not willing to give up, to advance as a leader
- List down **what you're prepared to offer** that's of value (e.g. time, energy, resources) for something of even greater worth
- Identify possible "**destination disease**" you may have (the thinking that you can sacrifice for a limited period of time then "arrive"), & write down a statement of ongoing-growth to counter that mind-set

KEY QUOTES

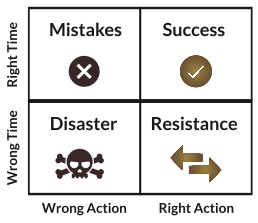
"Effective leaders sacrifice much that is good in order to dedicate themselves to what is best."

"Leaders must be willing to give up more than the people they lead."

"In leadership, sacrifice is an ongoing process, not a onetime payment."

19. The Law of Timing

When to lead is as important as What to do and Where to go



Timing is everything. It can make the deciding difference between success and failure. Only the right action at the right time will deliver results in success.

Good leadership timing involve the following factors:

- Understanding of the situation
- Maturity of motives
- Confidence in what's to be done
- Decisiveness
- Experience
- Intuition
- Preparedness

Applying the Law of Timing:

Review the recent and major actions you've initiated and how much attention you gave to timing.

Analyse some failed initiatives for your organization or team to determine whether they were caused by the wrong action or timing (Maxwell listed a list of questions to help with the assessment)

Use the list of factors above to prepare for the timing of your actions

20. The Law of Explosive Growth

To add growth, lead followers. To multiply, lead leaders.

Why develop leaders? Maxwell summarizes it as such:

> "If you develop yourself, you can experience personal success. If you develop a team, your organization can experience growth. If you develop leaders, your organization can achieve explosive growth"

To lead leaders, you need a different focus and attitude:

KEY QUOTES

"When the right leader and the right timing come together, incredible things happen."

"Reading a situation and knowing what to do are not enough to make you succeed in leadership. If you want your organization, department, or team to move forward, you must pay attention to timing."

"Leaders who develop leaders multiply their organization's growth, because for every leader they develop, they also receive the value of all that leader's followers."

"Proactive leaders…know that if they develop the best, the best will help with the rest."

Leaders who attract followers…	Leaders who develop leaders….
…Need to be needed	…Want to be succeeded
…Develop the bottom 20%	…Develop the top 20%
…Focus on weakness	…Focus on strengths
…Treat everyone the same	…Treat individuals differently
…Spend time with others	…Invest time in others
…Grow by addition	…Grow by multiplication
…Impact only people they touch	…Impact people beyond their reach

It can be ***challenging to lead leaders***:

- There are more followers than leaders, and they don't flock, so leaders are **hard to find**.
- Leaders are **hard to gather**, because you need to create an attractive environment that they can thrive in.
- Leaders are **hard to keep**, and will only follow you if you constantly grow and stay ahead of them.

Applying the Law of Explosive Growth:

- **Identify the stage you are at**: developing yourself, your team or leaders.
  Start developing leaders if you are not already doing so.
- Identify how you can **find and gather potential leaders**
  Identify how you can **gather and hold leaders**

21. The Law of Legacy

A leader's lasting value is measured by succession

A leader's lasting value is measured by what he leaves behind. This in turn requires a leader to be highly intentional about his legacy:

- **Know the legacy you want to leave**: How do you want to be remembered when you are gone? Decide on the one sentence that will summarize your life.
- **Live the legacy you want to leave**
- **Choose who will carry on your legacy**: A legacy can only live on in people, not things or lifeless objects.
- Make sure you **pass the baton**

KEY QUOTES

"Leadership development compounds. The more you invest in people and the longer you do it, the greater the growth and the higher the return."

"Leaders are like eagles – they don't flock That's why they are so hard to find."

"The only way to lead leaders is to become a better leader yourself."

'Our ability as leaders will not be measured by the buildings we built, the institutions we established, or what our team accomplished during our tenure. You and I will be judged by how well the people we invested in carried on after we are gone."

"Most people simply accept their lives – they don't lead them."

Applying the Law of Legacy:

- What will your life stand for? Summarize it in one line. This may take time to crystalize and could change with maturity and experience.
- What must you change in order to live that legacy?
- Identify and start to invest in the person(s) who will carry out your legacy.

Other details to look out for in the book

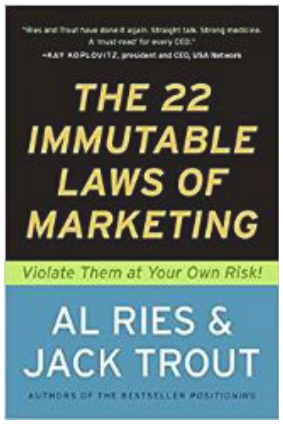
The book was first published in 1998. In this 10th Anniversary Edition, Maxwell updated the 21 Laws based on what he learned from leaders applying the principles in real-life.

The book includes many leadership examples including Maxwell's personal experiences, sportsmen, corporate leaders, US presidents, and leaders of social causes. Some of the real stories and case studies include those of Mother Teresa, Abraham Lincoln, Theodore Roosevelt, Harriet Tubman, George W Bush, Herb Lance Armstrong, Martin Luther King Jr, Nelson Mandela, Mahatma Ghandi, Jim Sinegal, and Ray Kroc.

After each chapter, Maxwell provides several tips on how to apply the leadership law in your life, as well as a leadership evaluation/ assessment in Appendix A.

KEY QUOTES

"If you want to create a legacy, you need to live it first. You must become what you desire to see in others."



THE 22 IMMUTABLE LAWS OF MARKETING

Violate Them at Your Own Risk!

BY AL RIES & JACK TROUT

The Big "So What"

As world-renowned marketing consultants with more than 25 years of marketing experience, the authors have discovered that some things work in marketing, while others don't. This book presents 22 fundamental marketing laws that have stood the test of time and affect the success of your marketing strategy. It's an essential resource for any business owner, marketing or business executive.

Introduction

According to the authors, the 22 Laws of Marketing are like the laws of nature. If you violate them, your marketing program is doomed to fail, regardless of what you throw at it—be it the brightest, most creative people, or tons of time, energy and money. To succeed, marketers and business managers must learn these laws and work within their framework; otherwise, the laws will automatically work against them.

The Fundamental Laws of Marketing

1. The Law of Leadership

It's better to be first to market, than to wait for a better product.

In marketing, it's always more effective to get into the prospects' minds first, than to try to convince them later that you have a better product.

Think of Heineken (the first imported beer to establish itself in America), Harvard (the first college founded in America), Gillette (the first safety razor), and Charles Lindbergh (the

KEY QUOTES

"There are laws of nature, so why shouldn't there be laws of marketing?"

"Once you open your mind to the possibility that there are laws of marketing, it's easy to see what they are. In truth, they are obvious."

"Many managers assume that a well-designed, well-executed, well-financed marketing program will work. It's not necessarily so."

"The leading brand in any category is almost always the first brand in the prospects' mind."

first person to fly the Atlantic Ocean solo). People tend to **remember the firsts**, but not the seconds, because:

- Humans tend to stick with what we've got; and
- The first brand to market often becomes a generic term for that product category.

Not all first movers succeed, especially if they have bad timing or a bad idea. Still, there's a significant first mover advantage in marketing. Rather than try to watch the market then develop a better product than competitors, focus on developing an entirely **new category** altogether.

2. The Law of the Category

If you aren't the first in a category, create a new category you can be first in.

Amelia Earhart was not the first to fly Atlantic solo, but she was the first *woman* to do so; Dell got a foothold in the crowded personal computer space as the first to sell computers *via phone*. You can always create another category where you can be first in.

Think in terms of **categories rather than brands**. Consumers may be defensive about their preferred brands, but they're more open to a new product in an entirely different category.

Once you're the first to market in a new category, promote that category intensively, focusing on why consumers should buy a product in that category. With no competitors in that category, consumers will naturally buy from you, and you can **"own" that category**.

3. The Law of the Mind

It's better to be first in the consumers' minds, than to be first to market.

The goal of being the first in your category is to get into the minds of consumers first.

After all, marketing is all about perception; what prospects *think* is more important than the reality of the marketplace.

KEY QUOTES

"Benchmarking doesn't work. Regardless of reality, people perceive the first product into the mind as superior."

"The basic issue in marketing is creating a category you can be first in—not in convincing people you have a better product."

"Forget the brand. Think categories."

"When you launch a new product, the first question to ask yourself is not, 'How is this new product better than the competition?' but…what category is this new product first in?"

"Being first in the marketplace is important only to the extent that it allows you to get in the mind first."

Once someone's mind is made up, it's very **hard to change**.

The most effective way to get in consumers' minds is to make a big enough splash to **be noticed**, rather than to worm your way in gradually. This doesn't necessarily involve tons of money. Apple wasn't first to market, but its name was much easier to remember, compared with the first 5 personal computers—Commodore Pet, IMSAI 8080, MITS Altair 8800, and Radio Shack TRS-80.

4. The Law of Perception

Marketing is a battle of perceptions, not products.

The best products may not win in the long run, because what's "best" is totally subjective. What's "real" and "true" to the customers are what they perceive in their minds, and marketing is about addressing those perceptions.

Marketers often try to get the "truth" on their side by using factual comparisons to justify why their product is superior. However, what drives purchases are **people's perceptions**. Toyota sells 4 times as many automobiles in Japan as Honda, because Honda is perceived to be a motorcycle company in Japan.

In fact, most people form their perceptions from just **bits of information**, e.g. an ad-hoc experience, or what they hear from someone else's experience.

The most successful products focus on creating the right perception in the mind of the prospect.

5. The Law of Focus

A key to marketing success is to own a word in the prospect's mind.

This law suggests that marketing is like a magnifying glass: use it to focus your messages until you "burn" your way into the prospect's mind, linking your product with one single word or concept. That way, the prospect will think of your product whenever that word comes up. For example, Fedex is linked with "overnight", Volvo with "safety", and Crest with "cavities".

KEY QUOTES

"If marketing is a battle of perception, not product, then the mind takes precedence over the marketplace."

"There is no objective reality…The perception is the reality."

"Most marketing mistakes stem from the assumption that you're fighting a product battle rooted in reality. All the 22 laws of marketing are derived from the exact opposite point of view."

"The only reality you can be sure about is in your perceptions… Marketing is a manipulation of those perceptions."

"The essence of marketing is narrowing the focus… You can't stand for something if you chase after everything."

You must choose a word that's not owned by anyone else. The most **effective words** are (a) simple, (b) benefits-oriented, and (c) create the halo effect, i.e. association with that word brings to mind other benefits (e.g. a "thicker" sauce suggests better quality and richer taste). The narrower and more precise the focus, the more effective it'll be.

However, the word won't work if there's no one claiming the **opposite point of view**, e.g. you can't own "quality" or "honest", since no one will declare they offer poor quality or dishonesty.

Rather than try to protect your word through legal trademarks, focus on getting as many people to **use the word** as possible, so you own it in people's minds.

6. The Law of Exclusivity

No two companies can own the same word in the prospect's mind.

If a competitor already owns a word, go for a different, unique word instead that you can own. The authors gave several examples to show it's almost impossible to claim someone else's word, e.g. how Fedex failed to take "worldwide" from DHL, and Energizer failed to take "long-lasting" from Duracell.

People rarely change their minds, and you're better off owning a unique word, than to throw resources at a competitor's word. In fact, if you try to "steal" your competitor's word, your promotions may end up reinforcing their position instead.

7. The Law of the Ladder

Your strategy depends on the rung of the ladder that you occupy.

In consumers' minds, there's a decision-making hierarchy, like the rungs of a ladder, and each rung is occupied by a brand.

Some product category ladders (e.g. automobiles, toothpaste) can have many rungs, while others may only have 2-3. As a **rule of thumb**: (a) people usually can handle only up to 7 rungs at a time, and (b) you'd have twice the market share of the brand in the next rung. Thus, it can be more attractive to be #2 or #3 on a big ladder, than to be #1 on a small ladder.

KEY QUOTES

"The trick is to get others to use the word. To be a leader you have to have followers."

"The single most wasteful thing you can do in marketing is try to change a mind."

"There's a relationship between market share and your position on the ladder in the prospect's mind."

Ideally, you should be on the top rung of your ladder. However, even if you're perceived to be #2 or #3 in your field, you can still take advantage of your **current position**. Start by assessing where you are on the ladder (or if you are on the ladder at all). Then, develop a marketing strategy that reflects your position on the ladder.

Our minds only take in new data that's **consistent** with our perception. By recognizing where you are in consumers' minds, you could get better results. For example, Avis didn't do well when it marketed itself as the finest rent-a-car service, a position clearly occupied by Hertz. Avis later changed its message to: "Avis is only No. 2 in rent-a-cars. So why go with us? We try harder." This new message was well-received by consumers, and Avis became profitable as a credible #2 player.

8. The Law of Duality

In the long run, all market battles finally come down to 2 key players.

New product categories typically start with many rungs on the ladder. This law predicts that over time, the rungs get reduced and it eventually becomes a battle between two major players, e.g. Crest vs Colgate, Nike vs Reebok, or Coke vs Pepsi.

The **timeframe** for this shift may vary from seasons to decades, depending on the category. As the 2 major players fight on, the #2 (which is usually an upstart) will gradually gain market share, while the #1 loses market share.

In the early stages, it can still be attractive to have an increasing share of a big market as the #3 or #4 player. However, as the market matures, consumers will prefer the leading brand, as they assume the market leaders have the best products. Besides the 2 key players, everyone else has only **supporting roles**; the #3 brand will have an unstable market share.

If you can't become #1 or #2 in your industry, you should focus on the niches you can fill profitably as the market leader.

9. The Law of the Opposite

If you're going for the 2nd spot, your strategy is defined by the leader.

KEY QUOTES

"The mind is selective…In general, a mind accepts only new data that is consistent with its product ladder in that category. Everything else is rejected."

"Only businesses that are No. 1 or No. 2 in their markets could win in the increasingly competitive global arena."
- Jack Welch, ex-CEO, General Electric

"In strength there is weakness. Wherever the leader is strong, there is an opportunity for a would-be No. 2 to turn the tables."

If you're aiming for the 2nd place in your industry, an effective strategy is to examine where the leader is strongest, and position yourself to offer the opposite. In so doing, you attack the leader's weakness, and take away business from all other alternatives to the leader.

The weakness must be one that your prospects can **readily accept**. For example, Scope positioned itself as the good-tasting mouthwash (in contrast to the "medicine breath" associated with Listerine); Pepsi positioned itself as the youthful choice of the new Pepsi Generation, as opposed to Coca-Cola's old, established product.

When you offer the opposite from the market leader, you present yourself as the **best alternative** for people who prefer not to buy from that leader for whatever reason. This is much more effective than trying to copy the leader.

10. The Law of Division

Gradually, a category will split into more categories.

A new category will eventually divide into many sub-categories, e.g. the category "computers" has split into mainframes, minicomputers, workstations, personal computers, tablets, etc.

Each **new segment** has reasons to exist separately, and operates with different market dynamics from the original category leader.

To avoid confusing customers, an established category leader should develop **a new brand** for each new segment that it chooses to enter. For example, General Motors created Chevrolet, Pontiac, Cadillac etc., as the automobiles industry expanded.

Many companies make the mistake of believing that their industries are **converging**. Categories don't merge; they split. This pattern is seen in every established industry from TV to beer.

11. The Law of Perspective

Marketing results are only visible after a long time.

KEY QUOTES

"Marketing is often a battle for legitimacy. The first brand that captures the concept is often able to portray its competitors as illegitimate pretenders."

"Too many potential No. 2 brands try to emulate the leader…You must present yourself as the alternative."

"Each segment is a separate, distinct entity. Each segment has its own reason for existence."

"It's better to be early than late. You can't get into the prospect's mind first unless you're prepared to spend some time waiting for things to develop."

"Categories are dividing, not combining."

In marketing, the long-term effects are often the opposite of the short-term effects.

Sales promotions may bring **short-term revenues**; but in the long-term, they educate consumers not to buy at "regular" prices. In retail, the most effective discount strategy is that of "everyday low prices", e.g. Wal-Mart or K-Mart. Line-extensions (see the next law) may also boost short-term sales, but dilutes the focus and value of the brand in the long-term.

Always adopt a **long-term focus** in your marketing programs, as the short term results tend to paint a temporary, false picture.

12. The Law of Line Extensions

It's tempting to extend the equity of a successful brand into new areas.

Often, a successful company starts to believe it can succeed in anything, and starts extending its line of products, by putting its brand on new products in unrelated categories.

When a company tries to be everything to everyone, it **loses focus** on what made it successful in the first place. The authors share several examples of companies that diversified and lost market share in the long term, e.g. IBM extended from mainframe computers into PCs, workstations, software, networks, telephones, copiers, and many other categories.

The more products you stretch your brand across, the less money you'll make. The **winning strategy** is to narrow your focus to build a strong position in the prospects' minds.

13. The Law of Sacrifice

To be successful, you must give up something.

To stay focused, there are typically 3 things to be sacrificed:

A full product line. Specialization beats generalization. Brands like Kraft may be well-known, but they don't have the biggest market share in most product categories. Many general stores like Ames and Macy's have also gone bankrupt in the past decade. When Interstate Departmental Stores went bankrupt, it chose to refocus on toys, renamed itself Toys "Я" Us, and went on to become profitable.

KEY QUOTES

"Any sort of couponing, discounts or sales tends to educate consumers to buy only when they can get a deal."

"Couponing is a drug. You continue to do it because the withdrawal symptoms are just too painful."

"When you try to be all things to all people, you inevitably wind up in trouble."

"The more products, the more markets, the more alliances a company makes, the less money it makes."

"If you want to be successful today, you should give something up."

A broad target market. When you try to serve a vast market demographic, no one is happy. Instead, when you have a laser-sharp focus, you create a deep impression and end up reaching beyond your target market. For instance, by focusing on youths, Pepsi also appealed to older people who wanted to feel youthful; by focusing on cowboys, Marlboro reached non-cowboys who wanted to feel like "real men".

Constant changes. If you change your marketing strategy each time the market shifts, nobody will understand what you stand for, and you get nowhere. Be prepared to stick to your focus.

14. The Law of Attributes

There's an effective, opposite attribute to counter every attribute.

Don't try to copy, or even find a word that's similar to the market leader. Go for something that's the complete opposite, which you can own in prospects' minds.

Instead of trying to dislodge the market leader, focus on the segments that the leader currently ignores. For instance, **opposites** to "cavity" (owned by Crest) could be "whitening", "breath protection", or "taste".

You can't predict the size of these neglected segments; the best strategy is to **play up the value** of the new attribute you've selected, to secure the biggest possible market share. If your competitors respond with fear, you'd know you have hit a sweet spot.

15. The Law of Candor

If you admit to a negative, your prospects will treat it positively.

Honesty can be very appealing in marketing, because it's unexpected and thus refreshing. People expect proof for positive statements in advertising, but they're ready to believe a negative statement.

When you start your marketing message by confessing to a problem/negative, people tend to open up their minds and become more **receptive**. This puts you in a better position to present the positive points.

KEY QUOTES

"The target is not the market. That is, the apparent target of your marketing is not the same as the people who will actually buy your product."

"Good things come to those who sacrifice."

"Too often a company attempts to emulate the leader. It's much better to search for an opposite attribute that will allow you to play off the leader. The key word here is opposite—similar won't do."

"Your job is to seize a different attribute, dramatize the value of your attribute, and thus increase your share."

"Candor is very disarming. Every negative statement you make about yourself is instantly accepted as truth. Positive statements, on the other hand, are looked at as dubious at best."

You can even **turn the negative into a positive**. When Scope entered the mouthwash market, it presented itself as the "good-tasting" mouthwash to counter Listerine's bad taste. Rather than deny the fact, Listerine played on the idea and promoted "the taste you hate twice a day"—it admitted to its bad taste, and played on the perception that something that tasted like a disinfectant must kill more germs.

There are **2 key criteria** for this law to work, (a) the prospect must instantly agree with the negative (otherwise they'll get confused), and (b) your message must move quickly to the positive, before benefit of your honesty is lost.

16. The Law of Singularity

There's always one bold move that can bring massive success.

You won't succeed in marketing by having more strategies, nor by working harder on many small actions. Winning in marketing is like winning on the battlefield—there's always one bold manoeuvre that brings spectacular results. The challenge is to find and exploit it.

Your competitors will have **one spot** where they are the most vulnerable. Don't attack them where they're strongest; instead, focus your marketing entirely on their Achilles heel, i.e. exploit the crack in their armour and attack where they least expect it.

You won't find your competitors' weakness by strategizing in the head office. To know what works and doesn't work, you must know the market first-hand. To gain true insights, marketing managers must **be personally involved** at the frontlines of the battle; important marketing decisions simply can't be delegated.

In 1985, Coca-Cola launched a reformulated "**New Coke**" to hit back at Pepsi's sweeter drink. This was a flop, and Classic Coke was quickly reintroduced in 3 months. The authors believed that Coca-Cola's single advantage against Pepsi-Cola was consumers' perception that Coke was "The Real Thing"; Coca-Cola could've killed Pepsi as a rival if it had focused on this message to the Pepsi Generation, "Kids, come get The Real Thing when you're ready". Unfortunately, New Coke had the opposite effect. [Note: New Coke was discontinued in 2002, after this book's publication in 1994].

KEY QUOTES

"Marketing is often a search for the obvious. Since you can't change a mind once it's made up, your marketing efforts have to be devoted to using ideas and concepts already installed in the brain."

"This law only proves the old maxim: Honesty is the best policy."

"The only thing that works in marketing is the single, bold stroke. Furthermore, in any given situation there is only one move that will produce substantial results."

"Marketing managers have to know what's happening in the marketplace. They have to be down at the front in the mud of the battle."

"Successful generals study the battleground and look for that one bold stroke that is least expected by the enemy."

17. The Law of Unpredictability

Since you don't write your competitor's plans, you can't predict the future.

Marketing plans are often based on wrong assumptions of the future. You can't accurately predict the future or what competitors will do.

It's important to be aware of the **general trends**. However, avoid jumping to conclusions or extrapolating too far. Remember that research only measures the past; don't assume that past or current trends will continue in the future.

Instead, build **flexibility** into your organization and plans, so you can respond to changes as they occur. Anticipate what you'd do if something totally unexpected happens; you can even take calculated risks on the future (e.g. gourmet popcorn was launched on the chance that people would pay double for premium popcorn). See change as an opportunity, rather than a threat.

18. The Law of Success

Success breeds arrogance, which breeds failure.

When a brand becomes successful, it's easy for people to lose their objectivity and stop doing what made them successful in the first place.

Their egos get inflated, and they start to impose their own views and preferences, rather than offer what the market wants. They stop following the **laws of marketing**, lose their focus and start putting the brand name on all sorts of products and categories.

It's also common for CEOs of big companies to lose touch with the frontlines; they get bogged down by meetings, events, reports, and delegate the marketing function—which is a big mistake. Marketing is the lifeblood of any company. As a manager, you can delegate your charity events or meetings, but always make time to walk around, see and hear things for yourself. Gather your market intelligence through **first-hand experience**, not via your staff.

KEY QUOTES

"No one can predict the future with any degree of certainty. Nor should marketing plans try to."

"One way to cope with an unpredictable world is to build an enormous amount of flexibility into your organization."

"Ego…can be an effective driving force in building a business. What hurts is injecting your ego in the marketing process."

"When you're blind, it is indeed hard to focus."

"The more you identify with your brand or corporate name, the more likely you are to fall into the line extension trap."

19. The Law of Failure

Failure is inevitable; expect and accept it.

In business and experiments, there will always be failures. Accepting failure as a natural part of the process allows you to admit mistakes early, make adjustments and/or cut your losses.

In most organizations, personal agenda takes precedence over corporate interest—people are afraid to take risks, make mistakes, or disrupt status quo, as it could affect their own career. To address this:

Create an **environment** where people aren't punished for experimenting and trying to find solutions for the company; and

Bring everything out in the open. Separate the evaluation of the concept from the person who'll benefit from it, so the idea can be judged on its own merits.

20. The Law of Hype

What's reported in the press is often the opposite of reality.

Media hype is almost always wrong. Developments that are reportedly going to change the industry (or even the world) often turn out to be failures. New Coke received about $1 billion worth of publicity, while NeXt computer and USA Today were promoted with great fanfare. All of them failed.

What improves viewership often isn't what will **revolutionize** a market. In fact, companies that are doing really well are often too busy to spin stories in the press.

In any case, major revolutions don't happen overnight. Personal computers and fax machines started out sluggishly, but slowly gathered momentum over the years. Instead of focusing on front-page news, look for the less-sensationalized **stories and clues** buried in the news or market.

21. The Law of Acceleration

Successful marketing is built on trends, not fads.

KEY QUOTES

"Too many companies try to fix things rather than drop things."

"If you learn something and you're trying something, then you probably get credit for it. But woe to the person who makes the same mistake twice."
- Sam Walton, Wal-Mart

"No one can predict the future…The only revolutions you can predict are the ones that have already started."

"For the most part, hype is hype…Real revolutions arrive unannounced in the middle of the night and kind of sneak up on you."

Fads are short-term occurrences, whereas trends play out over a long period of time. Companies that invest huge resources to satisfy a spike in demand can collapse when the fad passes.

If you see a business growing rapidly, treat it as a fad first. Try to dampen the demand a little while testing its underlying strength. If it's a long-term trend, it will sustain the momentum and keep going. It's better not to fully satisfy the market demand, than to over-extend yourself and end up in financial crisis.

22. The Law of Resources

To get an idea to take off, you need adequate funding.

No idea in the world can go far without resources. Thus, big boys do have an advantage, and the rich can get richer. You need money to get into the consumers' minds, and you need money to stay there. While publicity is cheaper than marketing, you still need some money to get things rolling. Meantime, venture capital is hard to find.

If you're a **small player** with an idea but no money, you have to use your idea to *find money*, then get marketing help. Some options are:

- Franchise your idea (like how Monaghan started Domino's Pizza);

- Marry the money (e.g. Georgette Mosbacher who started La Prairie), divorce the money (e.g. Frances Lear who used part of her divorce settlement to start Lear's magazine), or get money at home (e.g. Donald Trump was backed by his dad's wealth).

If you're a **big company** with huge resources, you already have an advantage. Your challenge will be to distinguish the good vs bad ideas, and spend the money in the right places. *Front-load* your investment by ploughing all your initial earnings back into marketing for the first 2-3 years.

KEY QUOTES

"A fad is a wave in the ocean, and a trend is the tide…Like a wave, a fad is very visible, but it goes up and down in a big hurry. Like the tide, a trend is almost invisible, but it's very powerful over the longer term."

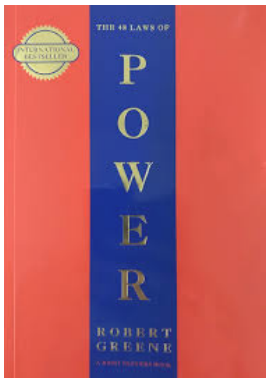
"One way to maintain a long-term demand for your product is to never totally satisfy the demand."

"Even the best idea in the world won't go very far without the money to get it off the ground."

"Here is the bottom line. First get the idea, then go get the money to exploit it."

"You'll get further with a mediocre idea and a million dollars than with a great idea alone."

"Money makes the marketing world go round. If you want to be successful today, you'll have to find the money you need to spin those marketing wheels."



THE 48 LAWS OF POWER

ROBERT GREENE

The Big "So What"

Power is an integral part of our societies and lives. This book distills 3,000 years of history into 48 laws that help us to understand the rules of power, how we can masterfully acquire power and avoid being crushed by others.

Introduction

No one likes being powerless, yet we don't take well to power-hungry people due to our modern ideologies of fairness, equity etc. It's important to realize that power is amoral—it's neither good nor evil. You can choose *how* to use power once you have it, but it'd be foolish to dismiss power as bad or unimportant. In fact, there's much that we can learn from the masterful scheming of the aristocratic courts of the past—those who can subtly charm, deceive and manipulate without others' awareness can rise to power without others' resentment or resistance.

Green encourages us to think of power-play as a game. You can use this book to learn about power in general, or study and reflect deeply upon the ideas to truly understand people and the world you live in.

- Don't judge people by their declared intentions, but the **actual outcomes** of their actions. People who claim to reject power due to moral values are often the true manipulators (or are simply naïve).

- To master the game of power, you must fundamentally **shift your perspective, learn and practice new skills** including the ability to master your emotions (so they won't cloud your judgment),

KEY QUOTES

"If the world is like a giant scheming court and we are trapped inside it, there is no use in trying to opt out of the game."

"Today we face a peculiarly similar paradox to that of the courtier: Everything must appear civilized, decent, democratic, and fair. But if we play by those rules too strictly…we are crushed by those around us how are not so foolish."

"Those who make a show or display of innocence are the least innocent of all."

"If deception is the most potent weapon in your arsenal, then patience in all things is your crucial shield."

objectively examine the past and future (to learn and identify problems) and accept deception and masquerade as a part of human interaction (not something immoral or ugly).

The 48 Laws of Power

Law 1: Never outshine the master

- In your quest to impress the people above you, **don't flaunt your talents too much**. If your superiors feel insecure, they'll find ways to replace you. Even if you're currently in favor, don't take it for granted as the tides can easily change if you make the wrong moves.

- Instead, **make those above you seem superior** and smarter than you, e.g. ask for their help and attribute your ideas to their great advice. Give them the limelight rather than outshine them.

Law 2: Don't over-trust friends. Use enemies

- **Don't hire your friends** for familiarity or as a favor. Friends are more likely to envy and betray you, and also limit your power since it's harder to keep a professional distance. It's better to hire people with the skills and competencies to advance your interests.

- In fact, **your enemies can be more useful**; use them to create a sense of danger or rally people to your cause. If you can win over a former enemy, he's also likely to be more loyal than a friend.

Law 3: Mask your intentions

- Many people are open books: they can't control what they say or mistakenly believe that honesty can win hearts. It's better to retain the upper hand by **hiding your goal** till you're ready to strike.

KEY QUOTES

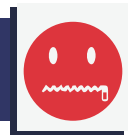
"Make your masters appear more brilliant than you are and you will attain the heights of power."

"Keep friends for friendship, but work with the skilled and competent."

"Honesty is actually a blunt instrument, which bloodies more than it cuts."

- Here are 2 effective tactics to conceal your true purpose:
  - *Throw people off the scent* by pretending to support an idea or position that's opposed to your true interest. Or, share a heartfelt thought on something unimportant—people will mistake your sincerity for honesty and believe you when you lie later on.
  - Distract and misdirect people with a *smoke screen*. Show them something they're familiar with so they'll let down their guard and be led in the direction you want them to go, without realizing your true intent. Combine this with other smoke screens e.g. a poker-face, noble gesture, or setting a pattern (then breaking it unexpectedly).

Law 4: Always say less than necessary



- The more you say, the less impressive and in-control you seem to be and the higher the chance that you'd say something foolish.
- Powerful people tend to say little. This makes them impressive and intimidating; people can't guess what they're thinking and hang on to their every word and reaction. Short answers and silences also put people on the defensive; when they try to fill the silence by talking, they give away useful information.

Law 5: Protect your reputation at all cost

- Your reputation is like your calling card. It's the foundation of your power. If you're known to be honest, it's easy to get away with deception; if you're known to be ruthless, people will be afraid to cross you. If your reputation is damaged, you'll become vulnerable; seek to elevate yourself by associating with people with the desired image.
- You can also destroy your enemies by hurting their reputation. Once that's done, don't attack them directly; let the public do the work.

KEY QUOTES

"The best deceivers…cultivate an air of honesty in one area to disguise their dishonesty in others. Honesty is merely another decoy in their arsenal of weapons."

"If you lead the sucker down a familiar path, he won't catch on when you lead him into a trap."

"A person who cannot control his words shows that he cannot control himself, and is unworthy of respect."

"Reputation is a treasure to be carefully collected and hoarded."

Law 6: Be conspicuous. Stand out.

- Everything is judged by appearance, and you are inconsequential if you're unseen. **Become an attention-magnet** by seeming larger-than-life, more colorful or mysterious than others.
  - o A good way to gain attention is to *make yourself notorious*: surround yourself with scandals or sensational people. Bad publicity is still publicity.
  - o You can also *create an air of mystery* around yourself to draw attention and anticipation. It stimulates people's imagination and makes you seem more intriguing and powerful.
- Initially, to rise to power, you must seek attention at all cost. Once you're in the limelight, you must **constantly adapt**—keep people guessing by acting in unexpected ways, and learn when to pull back so you don't seem desperate for attention.

KEY QUOTES

"Better to be slandered and attacked than ignored."

"The mysterious cannot be grasped. And what cannot be seized and consumed creates power."

Law 7: Get others to do the work & take the credit

- This law has **2 parts**: (a) don't let others ride on your hard work or steal your credit, and (b) tap on others' work (wisdom, knowledge, effort) to save your own time/energy and build your power base.
  - o In reality, the world is made up of hunters vs prey. You won't go far if you try to do all the work yourself or let others take advantage of you. *Become the hunter* instead.
  - o You can also *build on others' past achievements*, e.g. Shakespeare built his plots, characterization etc. from other writers' works.
- A **note of caution**: If your power is still not established, don't try to take credit for others' work lest you seem dishonest. Only take credit for the work of those *below* you, but give credit to those *above* you.

"Never do yourself what others can do for you."

Law 8: Make people come to you

- Stay in control by getting your enemies to respond on your terms.
  - *Bait your enemies* with attractive gains or provoke them to anger, then attack on your terms/turf. For meetings and negotiations, always lure people to your territory.
  - When people respond to your moves, they'll be abandoning their plans while you *hold the cards* and stay in control. To succeed, you must master your own emotions while you push/bait others into getting angry or impulsive.
- However, if your enemies are already cornered with nowhere to run, you may consider pressing your advantage to strike where they are.

Law 9: Win through actions, not argument

You can never win through a verbal argument. Such "victories" are temporary at best as people stay resentful beneath the surface. Instead, use actions to *indirectly demonstrate* that your ideas are correct. That way, you can prove your point without offending anyone.

Law 10: Don't get infected by misery & misfortune

Feelings of misery and helplessness are infectious, and people who're drowning can drag others down with them. It's ok to help those who've fallen temporarily due to circumstances beyond their control, but stay away from people who have brought misfortune or unhappiness on themselves due to their toxic attitudes. Instead, associate with happy, positive and successful people.

KEY QUOTES

"When you force the other person to act, you are the one in control."

"Demonstrate, do not explicate."

"Emotional states are as infectious as disease."

Law 11: Make yourself indispensable

- Make people depend on you for their prosperity, success and/or happiness. The more they want and need you, the greater your power and freedom.
  - You may seem indispensable due to your *unique skills/talent*. Never teach others so much that they can do without you.
  - People may also find it hard to cut you off because your fates are *too closely intertwined* or if you know their secrets. Unfortunately, this means that you are to some extent also dependent on others. This is the price to pay for power.

Law 12: Disarm with strategic honesty & generosity

- No matter how tough or cynical someone is, you can distract and disarm him/her with carefully-timed acts of honesty, generosity or kindness.
  - Use *selective honesty* to bring down people's guard, then manipulate them later. This is most effective at your first meeting when first impressions are formed.
  - You can also disarm others with *selective generosity*, e.g. a seemingly-selfless act, a generous gift, or a calculated act of kindness which touches their hearts and earns their trust.
- This will only work if your gestures seem real and sincere. If you have a bad reputation, flip this law around by playing the rogue, e.g. appearing to have selfish reasons for your actions so people will believe you are acting authentically.

Law 13: Appeal to self-interest, not virtue

- When seeking help or an alliance, focus on the other party's interests and everyday realities rather than noble causes or your own interests. You can also play on their desire to feel superior to you or be publicly seen for their generous contributions.

KEY QUOTES

"Necessity rules the world…If you create no need for yourself, then you will be done away with at first opportunity."

"Better to have others depend on you out of fear of the consequences of losing you than out of love of your company."

"Open-hearted gestures of honesty and generosity bring down the guard of even the most suspicious people."

"A gift is the perfect object in which to hide a deceptive move."

"When people choose between talk about the past and talk about the future, a pragmatic person will always opt for the future and forget the past."

- Don't appeal to others' mercy or gratitude. Even if you've helped them in the past, people dislike being reminded of their debts or obligations.

Law 14: Be a spy. Gather intelligence.

- It's invaluable to know how your opponent will move and where you should strike. Get to know your rivals, especially their secrets and hidden intentions.

- You can use spies or gather intelligence personally by posing as a friend. Use every opportunity to probe for information. You can ask casual/indirect questions at social events, pretend to bare your heart so they're also likely to share their secrets, or lay little traps for them to reveal their weaknesses and intentions.

Law 15: Crush your enemy totally

In your rise to power, you will inevitably make enemies. A strong enemy must always be crushed totally—in body and in spirit—or he/she will eventually retaliate. You cannot afford to show mercy or stop halfway. Banish your enemies totally so they won't pose any future threats.

Law 16: Raise your value via absence & scarcity

- When you are too easily available, you seem common. Once you've established yourself, learn to withdraw temporarily from your community, so people will feel your absence and value your presence even more when you return.

- This law only works if you've already attained a certain level of power and presence. Master the art of alternating presence and absence; withdraw just before people start taking you for granted.

KEY QUOTES

"Arm yourself with a little knowledge and your aim improves."

"Give them a false confession and they will give you a real one."

"If one ember is left alight, no matter how dimly it smolders, a fire will eventually break out."

"What withdraws, what becomes scarce, suddenly seems to deserve our respect and honor."

Law 17: Be unpredictable: keep others in suspense

- Humans feel uncomfortable about uncertainty. By being unpredictable, you **keep others off-balance** as they try to guess your goals and next moves. At the very least, it will stimulate interest and suspense; at an extreme (e.g. if you use deliberate attacks or ambushes) you can even instill fear or terror.

- You can also use predictability to **lull others into complacency** before you attack or disrupt them.

Law 18: Don't isolate yourself behind a fortress

- When you face uncertainty and danger, resist the temptation to hide behind a fortress to protect yourself. **Isolation is dangerous** as it cuts you off from valuable information and makes you an easy target.

- It's better to **hide yourself in the crowd**, build alliances far and wide and have your eyes and ears everywhere.

Law 19: Know who you're dealing with

- To gain and retain power, you must acquire the vital skill of **assessing people**—know who and what kind of people you're dealing with, so you can work with the right people and avoid offending the wrong ones. If you offend or deceive someone who's extremely insecure, suspicious or calculative, he/she is likely to come after you with a vengeance.

- Don't trust appearances; **gather concrete knowledge** about your opponents rather than rely on instincts.

KEY QUOTES

"When people cannot figure out what you are doing, they are kept in a state of terror—waiting, uncertain, confused."

"Isolation exposes you to more dangers than it protects you from."

Law 20: Stay independent (for as long as possible)

- Show just enough interest for people to think you may be willing to support them, but **don't commit** to anyone or any cause (except your own). That way, you can be courted by all parties.

- Stay neutral so you're not drawn into petty quarrels. This allows you to play people against one another or to gain power as a mediator.

Law 21: Make your victims feel smarter than you

- People don't like to feel stupider than others. If you appear to be less intelligent or sophisticated than your victims, they won't suspect that you're capable of ulterior motives or outsmarting them.

- The exception is when you want others to believe you. In such cases, it's better to seem smarter than you really are to project authority and knowledge.

Law 22: Use surrender as a tool

If you're obviously in a weaker position, there's no point fighting your opponent directly. Use surrender as a tactic to lull your enemy into complacency. Pretend to be defeated, but take the time to recover, unsettle your enemy and eventually retaliate.

Law 23: Concentrate your forces

Don't spread your resources too thin by fighting multiple battles. Concentrate your power—focus it like the tip of an arrow for the greatest impact. Likewise, it's better to find 1 strong patron with deep pockets to support and elevate you, than to rely on many minor ones.

KEY QUOTES

"To reveal the true nature of your intelligence rarely pays; you should get in the habit of downplaying it at all times."

"This is the essence of the surrender tactic: Inwardly you stay firm, but outwardly you bend."

"Intensity defeats extensity every time."

"Concentrate on a single goal, a single task, and beat it into submission."

Law 24: Be a masterful courtier

A successful courtier knows how to juggle the complex power-play at court. Be modest (not flamboyant), get noticed (without being too brazen), tailor your approach to each opponent, assert power subtly, flatter indirectly, be observant, master your emotions, and be a source of pleasure and good news.

Law 25: Create your own identity

- Break free from the **roles and expectations** imposed by society. If you don't define your own image, others will do it for you.

- **Create identities** to suit different roles and treat them like costumes that you can change. Keep your identity interesting. Incorporate drama (e.g. surprise, suspense, sympathy and symbols) to gain attention and make yourself seem larger than life.

Law 26: Don't dirty your hands

Have a convenient scapegoat (ideally someone innocent and powerless) to take the blame for mistakes. Get someone else do the nasty work (e.g. be the executioner or announce bad news) so you're only associated with positive news and events.

Law 27: Create a cult-like following

- Humans *need* to believe in something bigger than themselves. If you give them the right **focal point**, they'll follow you religiously.

- To **create a cult**, use vague but promising words that help people to dream and see what they *want* to see, focus on sensations and visuals, create rituals/hierarchies and ask for sacrifices that'll enrich you. Show symbols of wealth, but hide the fact that your wealth comes from your followers. Identify/invent an external enemy so you can use "us-vs-them" to rally people around you.

KEY QUOTES

"Courtiers are like magicians: They deceptively play with appearances, only letting those around them see what they want them to see."

"The first step in the process of self-creation is self-consciousness—being aware of yourself as an actor and taking control of your appearance and emotions."

"Our good name and reputation depend more on what we conceal than on what we reveal."

Law 28: Act with boldness

- When people perceive you to be **bold**, they're more likely to believe you, overcome their own doubts and give in to your requests.
- **Timidity** produces the opposite effects. If you are unsure about a decision, don't proceed as others will sense your doubts.
- Both boldness and timidity are **acquired habits**, i.e. they can be learned. Plan ahead so you can take bold actions at the right time.

Law 29: Plan till the end

Consider all possible outcomes and obstacles, so you're prepared to deal with unforeseen circumstances and know when to stop/change the plan. The key is to gain clarity and be confident about adapting to changing circumstances, not to be tied down by over-planning.

Law 30: Make your achievements seem effortless

- **Research and practise repeatedly** behind the scenes before you show your work publicly, so you seem to achieve the results effortlessly.
- Don't show the tricks or hard work behind your results—it will demystify you and allow other to copy what you do. It's ok to show *part* of your tricks/techniques so long as you maintain the **illusion of superiority**.

Law 31: Control the options

- The best way to manipulate people is to give them the ***perception* that they're making a choice**. In reality, you're the one dealing the cards and whichever option they choose would be in your favor.

KEY QUOTES

"Everyone admires the bold; no one honors the timid."

"Gently guide fortune and help determine the future by thinking far ahead."

"One never sees the source of a god's power revealed; one only sees its effect."

- Some **common tactics** include: present a few options and make your preferred option look clearly better, force them to choose between the lesser of two evils, or raise the price each time the buyer delays making a decision (until they dare not delay further).

Law 32: Play to people's fantasies

- People **prefer to believe in fantasies,** like a windfall or a sudden rise to success, rather than face the harsh realities of hard work, learning from mistakes or gradual change.

- An effective fantasy should be like a **mirage in the distance**—clear enough to be tempting but vague/far enough that they have to keep desiring and reaching for it.

Law 33: Find your opponent's fatal weakness

To penetrate someone's defences, you must identify their fatal weakness: this may be in the form of an insecurity, an uncontrollable emotion/need or a secret desire. Look out for subtle cues in your interactions, triggers that make them react like a child, and prod for the source of their insecurity, unhappiness, or fear.

Law 34: Act in the way you want to be treated

The way you carry yourself affects how people respond to you. Adopt the "Strategy of the Crown", i.e. act like a king (regal and confident, but not arrogant) so you'll be treated like one. Make bold demands without wavering, approach the highest person in the hierarchy with dignity, or give a gift to someone above you as if you're equals.

Law 35: Master the art of timing

Never seem to be in a hurry; learn to hold back until the time is ripe, then strike decisively to reach a swift conclusion. To grasp the right timing, you must (a) be able *think long-term* so you can see

KEY QUOTES

"Life is so harsh and distressing that people who can manufacture romance or conjure up fantasy are like oases in the desert: Everyone flocks to them."

"How you carry yourself reflects what you think of yourself."

"Learn to stand back when the time is not yet ripe, and to strike fiercely when it has reached fruition."

the big picture and be patient, (b) be able to *use forced timelines* to make others wait, hurry, or lose their sense of time and (c) time your actions so you *bring things to an end* at a strategic time.

Law 36: Ignore what you can't have

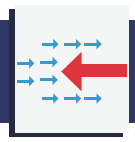
- Don't allow petty issues to bother you. When you pay attention to a problem or person, you give it credibility and power. When you want something desperately, you become weak. The less interest you show, the more power you retain.

- If there's something you want but cannot have (and it won't hurt you in the long-term), its best to **show disinterest** or even contempt for it. If you're being attacked by someone inferior, ignore them to show you're unconcerned or unaffected.

Law 37: Dazzle people with spectacles

Use compelling visuals and powerful symbols and associations (e.g. linking yourself with famous people or events) that make you larger than life and amplify your aura of power. When people are so overwhelmed by appearances and what you seem to represent, they'll overlook what you are really doing.

Law 38: Hide your unorthodox thinking



- Don't flaunt your **unconventional ideas**—especially if they involve strongly-held beliefs and values—as people may think you're seeking attention or putting them down.

- Instead, pretend to be like others. Share your radical ideas only with your inner circle who can appreciate your uniqueness, and use **indirect ways** to publicize these ideas (e.g. pretend to argue against the radical ideas but use the chance to expose them).

KEY QUOTES

"Learn to play the card of disdain and turn our back on what cannot harm you in the long term."

"People love what is grand, spectacular, and larger than life. Appeal to their emotions and they will flock to your spectacle in hordes."

Law 39: Stir up waters to catch the fish

If you lose your temper or control, you lose your followers' respect and confidence. However, if you can make your enemies angry while you stay calm, you gain a huge advantage. Play on your opponents' pride, love, hate, or vanity—throw them off-balance so they'll act recklessly and give you the chance to crush them.

Law 40: Beware the free lunch

- Don't trust what's offered for free or a bargain—it usually means lower quality or a psychological price tag, e.g. feelings of obligation or guilt which lead to compromises later.

- If something has real value, pay for it so you avoid the traps and deceit. Build a reputation of being generous and use strategic gifts/spending to increase your influence and power.

Law 41: Don't try to fill a great man's shoes

When you step into a great man's shoes, you'll have to achieve *much* more to outshine them. The best way to avoid being lost in your predecessor's shadow is to chart a new course and establish your own name with your own style, symbols and rituals. You don't need to start from ground zero; simply play down the past and amplify the differences of the present times. Gain power by shining in your own way.

Law 42: Strike the shepherd to scatter the sheep

- Trouble in a group can usually be traced to a single person who's stirring up dissent and anxiety. Left unchecked, the negative vibes will spread until it's too late.

- Strike at the source of the problem by removing the person (physically, politically or psychologically) to stop his/her toxic influence. Such isolation will also dishearten the person and make him/her vulnerable.

KEY QUOTES

"Stir the waters, force the fish to the surface, get them to act before they are ready, steal the initiative."

"In the realm of power, everything must be judged by its cost, and everything has a price."

"Powerful people give freely, buying influence rather than things."

"Cancer begins with a single cell; excise it before it spreads beyond cure."

Law 43: Win both hearts and minds

A person who is forced to do something will eventually retaliate. To gain power and loyalty, you must make others *want* to do what you desire. Step back to understand the other party's emotional makeup and psychological weakness. Then, soften their resistance: play on their *key emotions* (love, hate, jealousy) and demonstrate how something will serve their *self-interests*.

Law 44: Unbalance and confuse with the mirror effect

Mirrors simulate reality. You can use the "Mirror Effect" to throw your enemy off-balance in at least 4 ways:

- Copy their actions while you lay invisible traps, so they're unsettled and can't see what you're up to.
- Find out their deepest desires/values and reflect it back to them so they naturally like you and lower their defences.
- Teach them a lesson by giving them a taste of their own medicine.
- Create an illusion that they mistake for the real thing.

Law 45: Go for gradual change, not drastic reform

People resist change, even if they understand the need for it. Don't push for drastic changes as it could backfire. If you are new to a position or community, start by showing respect for the old ways of doing things, then introduce changes gradually as small improvements, linked to ideas that people already accept.

Law 46: Don't seem too perfect

When you seem to be better than others—or worse, to have no flaws—people get envious and silently resent you. Don't flaunt your

KEY QUOTES

"Ignore the hearts and minds of others and they will grow to hate you."

"Everyone understands the need for change in the abstract, but on the day-to-day level people are creatures of habit."

"The fool dares the gods of envy by flaunting his victories."

wealth, power, superior qualities or victories. Instead, occasionally show that you have harmless vices or minor weaknesses, so you seem more human and approachable.

Law 47: Don't push too far in victory

- When you're victorious, know when to stop. Don't let success get to your head; resist the temptation to push too far beyond your original goal. Arrogance and overconfidence can attract enemies and make you blind to your vulnerabilities.

- Maintain your rhythm of success—plan carefully, stop when you reach your goal, consolidate and plan again before moving forward.

Law 48: Be formless

Your enemies can't attack what they can't see. Learn to adapt, move rapidly and in a non-linear way so your opponents can't grasp what form you will take, nor have the time to respond to your unexpected attacks. Train yourself not to reveal your emotions, don't adopt a fixed strategy/style and don't follow conventional advice.

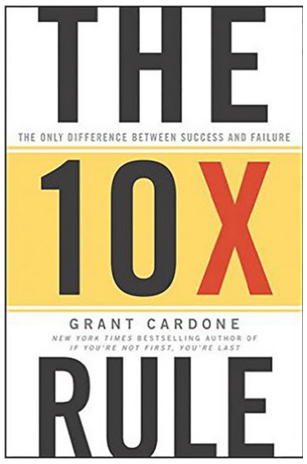
Other Details in the Book to Look out For

This is packed with stories and examples of court politics, courtship, and warfare involving kings, emperors, nobility and famous people from different countries and cultures from the past. For each of the laws, Greene includes stories and interpretations to illustrate the laws at work, as well as the exceptions to the laws.

KEY QUOTES

"Power has its own rhythms and patterns. Those who succeed at the game are those who control the patterns and vary them at will."

"The best way to protect yourself is to be as fluid and formless as water."



THE 10X RULE

The Only Difference between
Success and Failure

GRANT CARDONE

The Big "So What"

The 10X Rule is the single most important principle or ingredient needed to achieve extraordinary results. This book explains how you can use big thinking and massive actions to create unstoppable momentum for phenomenal success.

Introduction

This book is written for people who want to achieve colossal success and are not afraid to take the actions to achieve it. It's *not* for those who want comfort or are satisfied with average results.

Most of us fail to achieve our goals because:

We set **sub-par goals** that are too low or not motivating enough.

- In reality, our perceptions of what's "good", "ethical", "rich", "hardworking" etc. are largely influenced by *societal norms*. We may not even realize that these are not our own standards.

- Instead of creating breakthroughs, we end up *competing on existing levels*. Worse, we set low standards to avoid disappointment, or lie to ourselves that certain goals are unimportant if we fail to achieve them.

We **underestimate** the amount of challenges we must overcome, as well as the amount of effort/resources needed to achieve our goals.

- Success is not a single event, but an accumulation of *many activities and milestones* that jointly create our desired

KEY QUOTES

"Regardless of how you define success, this book will show you how to guarantee the attainment of it—with any dream and in any economy."

"Success…is an accumulation of events turning out well or desired outcomes being achieved."

outcomes. When we go for overnight success or get-rich-quick schemes, we grossly underestimate what it takes to succeed and therefore fail.

- As a result, we get disappointed, discouraged, and start finding *excuses* to quit or shift our goal-posts.

The key to success is to prepare yourself mentally for the actual amount of work needed *and* build in the buffers for unplanned variables that'll crop up. Achieving success is a never-ending process. People who are extraordinarily successful never stop seeking higher levels of accomplishments. They know that once they become complacent, they will slow down and eventually slide backward.

The 10X Rule Behind Massive Success

The 10X Rule says that you can only achieve phenomenal success if you upsize your thinking and action to 10 times that of others', i.e. set targets that are 10X bigger and take 10X the amount of action. This single discipline will make the biggest difference between massive success and failure.

Defining Success

Fundamentally, success is about attaining your desired outcomes. It's subjective as each of us define success differently and have varying goals at different points in our lives. A student may define success as popularity or good academic results, a young adult may define success as a promotion or owning his/her own apartment, while a retiree may define success in terms of health, legacy and meaningful relationships.

Regardless of how you define success, it's vital that you start with a *desire* to achieve it.

- Success is important for the survival of any individual, group or community, as it provides confidence, security, a sense of purpose and identity.

- It's your duty and responsibility to fulfill your potential. Don't wait for success to come knocking or hope for lucky breaks. Take concrete actions to define, seek and create your own success.

KEY QUOTES

"It is better to be pleasantly surprised than greatly disappointed."

"Success is...like a breath of air; although your last breath of air is important, it's not nearly as important as the next one."

"You must set targets that are 10 times what you think you want and then do 10 times what you think it will take to accomplish those targets. Massive thoughts must be followed by massive actions."

"Success is the degree or measure of attaining some desired object or end."

"Success is not something that happens to you; it's something that happens because of you and because of the actions you take."

Success is unlimited. It's not a finite product to be acquired, nor does it deplete with use. It's something you *create*, and there are infinite ways to create success, through new innovations, ideas, solutions etc. It's not true that others have to lose in order for you to win. Others' successes won't reduce your chances for success and can even create opportunities for you.

Taking 10X Actions

Generally, there are 4 levels of action that all of us use at some point in our lives. However, most of the time, most people only use the first 3 levels of action. Normal levels of activity deliver at most normal results; you need extraordinary levels of activity for extraordinary results.

Level 1: Doing nothing. People in this group feel bored and aimless. They spend their time and energy finding excuses or engaging in unproductive activities like gaming or watching movies.

Level 2: Retreat. People in this group play it safe; they're afraid of rejection or failure due to their upbringing or past experiences. They justify their actions (or lack of action) as the way to survive.

Level 3: Normal amount of action, i.e. simply doing what's widely acceptable, not what's truly needed to achieve your goals. This is the most common and also the most dangerous level, as it results in widespread mediocrity.

Level 4: Massive action. People in this group are insanely driven. They don't monitor their work hours and simply do whatever it takes to achieve their goals. You know you're entering this zone when:

KEY QUOTES

"Success is not a zero sum game, there can be many winners."

"Money and power follow attention, so whoever can get the most attention is the person who takes the most action and sooner or later will get the most results."

"Remember: If you don't create new problems, then you're not taking enough action."

- Your massive actions start to *create new problems* (which drive you to take even more action to address them); and

- You start to get *criticisms*, negative labels and warnings from others, telling you that you're crazy, off-balance etc. Keep going—you'll eventually get the attention and results you seek, and these criticisms will turn to praise/admiration.

Setting 10X Goals

Being "average" is a formula for failure. You don't gain enough momentum for real success and tend to lose what you have during bad times.

- People in the *middle class* (those earning about US$22,000-65,000 annually as of 2008) may enjoy some comfort during good times, but struggle with job/income loss and debts during bad times. They do enough to get by, but not enough to enjoy real success, security or fulfillment.

- *Top earners* make 319 times more money than average people. Those who complain that this is unfair fail to consider the fact that top earners also take significantly *more action* to develop skills, connections etc.

- The average person reads less than 1 book a year, while the *top US CEOs* averagely read more than 60 books a year. During the 2008 economic downturn, Starbucks' founder Howard Schultz cut expenses, closed down under-performing stores, *and* travelled around the country to personally meet with customers for feedback. Schultz took massive action despite already being a billionaire, or perhaps he became a billionaire precisely because he had been taking massive action.

The only way to win big is to **set ambitious, 10X goals.**

- *Small or realistic goals* that you look at once a year cannot inspire the big thinking needed for massive action.

- Ensure that your goals are (a) *big and exciting* and (b) *aligned with your purpose*, so you'll feel motivated to think and act on them every day. Benchmark your goals minimally against

KEY QUOTES

"Average never yields anything more than average and usually much less."

"There are no shortcuts. The more action you take, the better your chances are of getting a break."

"Realistic thinking is based on what others think is possible—but they are not you and have no way of knowing your potential and purposes."

the top players in the field. If you're willing to take 10X actions, you can achieve any goal, no matter how ambitious.

- Cardone's 10X goals include: "I own 5000+ apartments that return over 12 percent positive cash flow", "my marriage is alive and healthy and a positive model for others", and "I have written 12 or more best-selling books."

Components/Principles behind the 10X Rule

Take control of your life. Accept that *everything* that happens—be it good or bad—is a result of what you do and don't do.

- When you blame other people or circumstances for what happens to you, you're essentially giving up control of your life and adopting a *victim mindset*.

- There's always something you can do to improve your situation, and lessons you can learn to avoid repeating the same mistakes. When things go wrong, rather than blame external factors, ask yourself, "What can I do to ensure this doesn't happen again?" Push yourself to find the untapped strengths, resources and potential that you can call upon to *create your desired outcomes*.

- All of us make excuses for things that we do or don't do. Write down all your excuses, e.g. I have no money, I have no time, I'm too young/old, the economy is bad etc. You can only improve your situation if you *get past your excuses* to deal with the real reasons behind them. For example, being late due to traffic is merely an excuse; the true reason you're late is because you didn't leave early enough to cater for traffic.

Don't compete. Dominate. When you focus on competing, you waste energy chasing after your rivals. Aim to dominate your sector, i.e. be amongst the top in your industry, and ideally dominate the sector so completely that you're the *only one* in consumers' minds. Set the pace/trend and let others try to copy you instead.

KEY QUOTES

"Nothing happens to you; it happens because of you."

"Excuses are…just a revision of the facts that you make up in order to help yourself feel better about what happened."

"Making excuses won't change your situation; only getting to the real reason behind it can do this."

- It's ok to study best practices and learn from others, but *go beyond existing practices* to play at a different level. Hammer away at your competitors' specialties until they become *your* unique advantage. You'll need a lot of activity to penetrate a sector, and even more activity to dominate a sector.

- Ask yourself: what are the *unreasonable things* that only you would do? Do what others won't do, go where they won't go, and take so much action that no one can catch up with you. For example, one of Cardone's clients decided to call customers just before they left the carpark and give them a special counter-offer. By doing what their competitors didn't or wouldn't do, they managed to convert a large number of potential customers they would otherwise have lost.

Build omnipresence. You can add value by helping one person, but you become truly phenomenal when millions or billions of people know you and need your services regularly.

- Your name is your *most vital asset*. Your goal is to have people see you so often that they think of you all the time, and immediately associate your name/face/logo with your sector and what you stand for.

- Aim for a *global footprint* and to become a household name like Coca-Cola, Google, Starbucks, McDonald's, or Visa. Such a mindset will fundamentally change how you think and act, and you'll find yourself taking extreme measures and saying "yes" to opportunities.

Get obsessed with your big dream and let it dominate your thoughts and feelings.

- Think *daily* about what you must do to dominate your sector and take action persistently until you succeed. It's better to be obsessed with your goal than with your excuses.

- Obsessive people get labeled as crazy or off-balance. Yet, once they achieve their breakthroughs, they're suddenly regarded as geniuses and revolutionaries. Treat obsession as an *essential ingredient* for success, rather than the exception to the norm.

KEY QUOTES

"Market conditions won't improve until you improve the way you think and approach the market."

"Forward thinkers don't copy. They don't compete—they create."

"It is impossible to amass true success without thinking in terms of making your ideas, products, services or brand universal."

"The higher your purpose, the more fuel it will provide for your 10X actions. This is what it takes to rocket to omnipresence."

"The way to approach a sector, goal, or any endeavor (is) to own it completely."

"What if the only thing standing in the way of your greatness was that you just had to go after everything obsessively, persistently, and as though your life depended on it?"

Go all-in. In poker, this means placing all your chips on a bet. In the case of your goals, it means putting in 100% of your effort, energy, focus, persistence and creativity toward achieving success.

- The good news is, there's *no limit* to your energy, creativity or persistence. So, you can go all-in over and over again until you succeed.

- People are likely to warn you not to overexpose yourself. The 10X Rule says the opposite—*overcommit* so you have no choice but to keep pushing ahead until you reach your goals. For example, if you're in sales, don't just aim to reach a sales target; overcommit to every step of the sales process, including your number of appointments, marketing materials, pitches, follow ups etc. You will create new problems, e.g. have more appointments than you can fit into your calendar. However, as you tackle the problems, you'd find yourself achieving much bigger results than you imagined possible.

Expand. Never contract. During bad times, people naturally cut back on expenses and activities, i.e. they retreat. Push yourself to continue with massive 10X action, so you expand while others contract. Remember:

- *Never follow the masses* blindly, as they're usually wrong. By the time everyone is retreating, the market is usually already on the way to recovery.

- Expanding doesn't mean spending money recklessly. It's about putting in 10X the energy, creativity and resilience, all of which are *abundant* and won't run out.

Build massive momentum. When you start to see results, do not slow down or stop. Keep going by adding new ideas and activity until you're unstoppable.

- It's like *adding fuel* (efforts, ideas and creative resources) to your fire until it becomes a raging forest fire. On the other hand, If you stop feeding your fire, it will gradually be reduced to ember or ashes.

KEY QUOTES

"Devoting yourself to something all the way means that there's no backing out."

"One of the major differences between successful and unsuccessful people is that the former look for problems to resolve, whereas the latter make every attempt to avoid them."

"You never want to blindly follow the masses; they are almost always wrong."

"Your fire has to continue to be stoked, and that means more wood, more fuel, and in your case, more actions."

"Keep adding wood until the fire is burning so hot that no one—and nothing—can put out your success."

- As you push ahead, you'll encounter new challenges that'd fire you up. *Stay in level 4 action* and address each wave of challenges as they come. When you move at this pace, none of your competitors can keep up even if they try to duplicate your efforts.

Do what you fear. Fear is an emotion triggered by what we *think* may happen. In other words, fear is unreal and most of our fears are never realized.

- Instead of treating fear as a sign to retreat, *treat it as a sign to take action* and do what others refuse to do. If you fear rejection from a client, it means you must approach the client; if you fear public speaking, it means you must take on a speaking engagement.

- The best way to tackle fear is to *take action immediately*, so your fear has no time or chance to grow. When you use fear to fuel your actions, it makes you appear fearless and gives you huge momentum.

Don't manage time. Optimize it. It doesn't make sense to try to manage time if you don't know how much time you have, or how long you need to accomplish something. Instead, aim to get the most value from your time: know how you're using your time, direct most of your time toward your priorities, and squeeze the most out of every second.

- *Start a time-log* to become aware of how you're currently using your time.

- Then, calculate *how much time you have* and what you must achieve with your available time. For example, if you're 40 years old, believe you'll live till 80 and want to make $10mil, then you have at most 350,400 hours left to generate $10mil. Or, if you want to make $10,000 a month with 40 hours a week, then you must ensure every hour of work is worth $62.50.

- Rather than drag yourself to work, plan your day in advance and make it a game to *see how much more you can achieve*. For example, you can challenge yourself to make $100 an hour instead of $10 an hour, or redirect 5 more hours a week for quality time with your kids. When you increase the value you get from every second, you're effectively multiplying your time.

KEY QUOTES

"Fear is actually a sign that you are doing what's needed to move in the right direction."

"Starve the fear of its favorite food by removing time from its menu."

"Most people have no clue what they are doing with their time but still complain that they don't have enough."

"If you don't manage your time, I promise that you will waste it."

Expect criticism. Your massive actions and results will attract both admiration and envy/jealousy. People may criticize you for spending too much time on work, making the wrong decisions, taking too much risk etc.

- Expect criticism so it won't overwhelm you. *See it as a sign of success* and keep moving with 10X actions. With enough success, the people who initially criticized you will eventually start to admire you.

- *Don't try to stay under the radar* to avoid being noticed and attacked by competitors. To become a market leader and dominate your sector, you *must* get noticed.

Go for market share, not customer satisfaction. Most companies fail not because of an inferior product, but because they don't get enough customers. There's no point in worrying about customer satisfaction if you can't acquire them in the first place. Focus on expanding your market share—this pushes you to attract customers, get them to use/pay for your solutions *and* stay with you. The larger your customer base, the higher your chances of finding quality customers to focus on.

- Your first priority should be to *acquire customers*: get their attention and impress them with a great solution.

- Then, use the complaints/problems from existing customers to *identify areas for improvement*—when you solve your clients' problems, it builds loyalty and generates word-of-mouth publicity. Concurrently get feedback from people that you do not acquire, to identify the gaps or issues in your buying process.

- In short, expanding your footprint is a more meaningful goal as it forces you to tackle the *entire value chain* from product to processes and promotions, which ultimately deliver customer satisfaction.

KEY QUOTES

"Some will admire you, some will want to learn from you, but unfortunately, most will envy you."

"Criticism is not something that you want to avoid; rather, it's what you must expect to come your way once you start hitting it big."

"Customer acquisition is the primary target, followed by customer loyalty, followed by customers who spread the word about you."

Winning Big in Life

Ingredients for Success

The difference between successful and unsuccessful people lies not in their background or circumstances, but with the way they think, talk and act. Cardone breaks this down into 32 traits/habits, which we've condensed into 8 key principles below:

Have a "Can Do" attitude. Look for opportunities, possibilities and solutions in any situation. Even if you don't have a ready answer, have the faith and willingness to take action anyway, and figure things out along the way.

Embrace challenges, fear and discomfort. Courage is about acting in spite of fear. You can't create breakthroughs without changes, so you must try new things and take bold actions even if they make you extremely uncomfortable. Use challenges to sharpen and stimulate your growth. Realize that the bigger the problems you solve, the bigger the rewards.

Dare to be unreasonable. Our so-called practical realities are merely artificial limits—electricity, air travel, and the internet were all considered impossible until someone made them real. Even the most cautious people will suffer losses and mistakes, so you might as well take risks, knowing you can always try again if you fail.

Aim to create wealth, not just earn money. True wealth is created via the exchange of new ideas and solutions, and you can create unlimited wealth through creative solutions to universal problems. When you help others in your team/community to succeed, it will also indirectly help you to succeed.

Commit and go all-in. You have 100% control of the actions you take. Say "yes" to life and possibilities, take massive action *now*, and go all-in such that you have no option to quit or cut back.

KEY QUOTES

"The more you win in life, the higher your potential will be—and the more you will grow to love challenges."

"Don't focus on how hard the work is but rather on how rewarding the results are!"

"Man would do nothing exceptional if it were not for the willingness to be unreasonable."

Persist till the end. Have the discipline to do whatever you must until you achieve your goal. The more you persist, the more you develop your mental, emotional, and financial strengths, and build positive habits from your repeated activities.

Focus on goals and results. Don't focus on the amount of attempts or time spent, or get lost in mundane tasks. Focus on your goals, results and the wider mission to change/impact the world.

Grow yourself relentlessly. When you invest in knowledge and improve yourself, you can get the most from your efforts and multiply the results from your 10X actions. Surround yourself with people who're better educated, more connected and more successful than you. Keep pushing yourself to higher levels of action and achievements, so you fulfill your duty to live to your full potential.

Getting started with 10X

Cardone learned from **personal experience** how powerful the right mindset and level of actions can be.

- He had been playing it safe until he was attacked by people who didn't want him to succeed, and decided to take massive action. In 18 months, he recorded more than 200 videos, wrote 150 blog articles and did 700 radio interviews. Then, he generated TV exposure and put up thousands of social media posts.

- All these added up to give him massive exposure. As business flooded in, his footprint expanded further and he even got his own TV show. This huge success was the best revenge he could've had on those who tried to drag him down.

Start applying the 10X Rule by focusing on your big vision of the future but taking action in the now:

- *Make an initial list of your 10X goals*. At this point, don't reduce the size of your goals nor worry about how you'll achieve them yet.

KEY QUOTES

"Until an action is turned into a success, it is not done."

"Quit patting yourself on the back for trying, and save your rewards and accolades for actual accomplishment."

"Successful people assume that their future achievements rely on investing in actions that... when taken consistently and persistently over time will sooner or later bear fruit."

"The best payback possible...(is) simply amassing more success."

- *List down the actions* you can take by asking, "What actions can I take now to move me toward these goals?"
- *Start taking action immediately*, regardless of how you feel and don't prematurely evaluate the outcome of your actions.
- *Review and rewrite your goals daily* when you wake up and before you go to sleep. Remember the points above, and keep pushing ahead toward your dreams and goals.

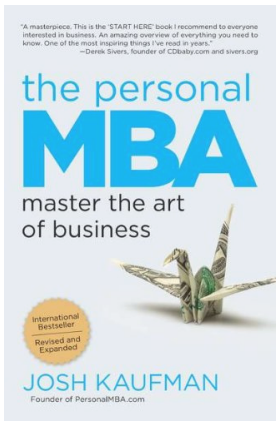
Other Details in the Book to Look out For

In the book, Cardone shares many of his personal observations and experiences about success. Each chapter also includes a short exercise to help you recap what you've learnt. For more details and resources, please visit grantcardone.com.

About the Author

Grant Cardone (born 1958) an American author, motivational speaker, real estate investor and sales trainer. He has worked with Fortune 100 companies such as Google, Wells Fargo, and Ford to customize sales processes and improve customer experience. He is also the owner of Whatever It Takes Network, a digital network where he hosts, directs, and produces programs that help people do whatever it takes to create success in their lives.

KEY QUOTES



THE PERSONAL MBA

Master the Art of Business

BY JOSH KAUFMAN

The Big "So What"

MBA programs are expensive, many of their ideas haven't been updated for the ever-changing business world, and there's no strong evidence that an MBA improves business or career success. Kaufman recommends that you save on MBA program fees, and use the time and resources for real-life education instead. This book provides an overview of vital business concepts, presented in layman terms, to help new entrepreneurs and experienced executives alike to fast-track their real-world learning for better results.

Introduction

Our mental models shape how we view the world, the actions we take, and the results we achieve. This book provides anchor concepts that we can use to filter and shape our real-world experiences. It's organized into short segments, covering 248 key business concepts. This summary consolidates some of the core concepts into 3 parts:

- How businesses work;
- How people work; and
- How systems work

How Businesses Work

Every business involves **5 essential parts** - Value Creation, Marketing, Sales, Value Delivery, and Finance. We'll address them in this segment.

Value Creation: Discover & create what people need/ want

There are more than enough problems in the world to be solved, and businesses exist to provide the solutions that people need/ want.

KEY QUOTES

"My aim is to help you build a solid understanding of general business practice from scratch, regardless of your current level of education or business experience."

"Skip business school. Educate yourself."

"Mental models are concepts that represent your understanding of 'how things work'."

"Business is not (and has never been) rocket science – it's simply a process of identifying a problem and finding a way to solve it that benefits both parties."

The **"Iron Law of the Market"** says that your business' success depends on the *size and quality* of the market you serve.

- Starting a business is *always harder initially* than you imagine. Don't do it just for money, nor just for interest/ passion. Always cover your financial bases first, so your efforts are sustainable.

- Before entering a market, assess if it's *attractive* enough:

10 Market Evaluation Questions

i. How *urgently* do people need/ want this?

ii. What's the *market size* (how many people are buying stuff like this)?

iii. What's the highest *price* people will pay?

iv. How easy or costly is it to *acquire new customers*?

v. How much will it cost to create and *deliver* your offer?

vi. How *unique* is your offer (is it easily replicable)?

vii. What's your *speed to market* (how fast you can create the offer)?

viii. How much must you *invest upfront* to create a sale-able offer?

ix. Are there secondary offers you can *upsell?*

x. Is the offer *lasting* (is new effort needed after creating the initial offer?)

- A market with *existing competitors* proves there're ready customers, and you can learn from your competitors to develop a better offer.

Value is subjective. To create value, **know what people want:**

- Lawrence & Nohria presented *4 core human drives* that shape our decisions and actions. These are the drive to:

  o *Acquire* e.g. gain wealth, fame, influence, power;

KEY QUOTES

"Without value creation, a business can't exist – you can't transact with others unless you have something valuable to trade."

"There's often a huge difference between an interesting idea and a solid business."

"Learn everything you can from your competition, and then create something even more valuable."

"All forms of value are not created equal. 'Value' is in the eye of the beholder."

- o *Bond* with others, e.g. be well-liked, respected, attractive;
- o *Learn* e.g. be smarter, more competent; and
- o *Feel* e.g. enjoying new experiences and stimulations.

The more drives you satisfy, the more attractive your offer is.

- People also generally value ways to achieve *higher status*, and to *minimize pain or hassle*.
- Kaufman explains *12 forms of economic value* any business can offer: product, service, shared resource, subscription, resale, lease, agency, audience aggregation, loan, option, insurance, capital. You can create *modular* offers, then *bundle* or *unbundle* them to cater to different customer segments.

To translate an idea into a viable offer, you must **test and refine** it:

- Identify your *critical assumptions* - what must happen for your business to succeed - and test them in advance.
- Before investing in the full product, test your concept using *prototypes*. *Shadow test* your offer (i.e. sell it before creating it, making it clear the product's still under development). A *Minimum Viable Offer* is a prototype (e.g. a video) that conveys enough to persuade customers to buy. This helps you to validate the offer, get cash-flow, and identify barriers to purchase.
- Integrate feedback, test and measure improvements using small *"iteration cycles"*, to discover what works asap. You can also *field-test* the products with your employees to improve them before rolling them out to customers.

Marketing: Get attention and demand for your offer

Your prospects' attention is limited, and spread across competing demands. To get their attention, you must trigger their curiosity, concern or surprise.

You can't make people want something; you can only present your offer in a way that connects it with an **existing desire.**

KEY QUOTES

"The more drives your offer connects with, the more attractive it will be to your potential market."

"The more hassle you eliminate for your customers, the more you'll collect in revenue."

"Find a way to give people more flexibility, and you may discover a viable business model."

"Ideas are cheap – what counts is the ability to translate an idea into reality."

"The faster you learn, the more quickly you'll be able to improve."

"Using what you make every day is the best way to improve the quality of what you're offering."

"Everyone has too many things to do, and too little time to do them all."

- *Frame* your offer to emphasize details that're vital for decision making. Focus on the *outcome/ benefit*, to convey a feeling or experience related to a core human drive.

- Help your prospects to *visualize* what it'd be like to accept your offer, so you invoke their emotions and trigger their inner desire.

- Get attention using a *hook* - a phrase/ sentence that conveys your offer's main benefit (e.g. iPod's "1,000 songs in your pocket").

- Use *narratives* or stories to engage your prospects, including testimonials and case studies.

- Taking a *controversial stance* can also catch people's attention and trigger constructive debate/ discussion.

- Include a *call-to-action* for every marketing message, to direct your prospects to take 1 clear, simple action, e.g. enter an email address, or click on a link.

- You can offer a *free* sample to let your prospects experience the value you provide. Clarify how you'll continue to engage them, how they'll benefit, and seek *permission* rather than spam them.

You should focus your resources only on **probable buyers.**

- Qualify your prospects, to maximize highly-profitable clients and minimize high-risk, high-maintenance clients.

- Identify your *point of market entry* when people become interested to hear from you, e.g. giving pre-natal care samples straight after someone discovers she's pregnant.

- Start with *addressable markets* that you can reach (e.g. certified professionals are easier to find than people with chronic diseases).

Sales: Convert prospects into paying customers

A **transaction** is an exchange of value, and it requires that you (a) offer something of *value*, and (b) develop mutual *trust* and common ground.

KEY QUOTES

"Your job as a marketer isn't to convince people to want what you're offering: it's to help your prospects convince themselves that what you're offering will help them get what they really want."

"Tell your prospective customers the stories they're interested in hearing, and you'll inevitably grab their Attention."

"The more legitimate value you can provide to others up front, the more receptive they'll be when it's time for your pitch."

"Not every customer is a good customer."

"Always focus the majority of your efforts on serving your ideal customers."

- People *resist* if they feel they're being pushed toward a deal that's not in their best interest, or if the seller seems desperate/ is chasing them. However, if you offer small tokens of value, and make the prospects comfortable, they'll tend to reciprocate and be more *receptive* to your pitch later on.

- Admitting your offer's *flaws or limitations* upfront can also improve trust levels.

People will accept any **price** you set, so long as you can justify it.

- Your *price range* affects who you attract; raising prices over time could actually attract *more* profits and customers.

- Learn what your clients want, and use *value-based selling* to show how you add value - if your service costs $100, but can generate $1,000 for your clients, they'll probably use it. Use *education-based selling* when you have a strong offer, to lead your prospects to an informed decision. If there's no common ground, consider your prospects' *next best alternative*, so you can bundle or unbundle your offer to match it.

There are **3 universal currencies** involved in any transaction - *resources* (tangible items like money or gold), *time*, and *flexibility*. Explore options and combinations using all 3 currencies.

Understand and address prospects' **barriers to purchase,** which can include: "it costs too much", "it won't work", "it won't work for me", "I can wait", or "it's too difficult." Mitigate risks for buyers using *risk reversals* e.g. money-back guarantees or risk-free trials.

Manage the **3 areas of negotiations**: *Prepare* by researching on the other party and creating an ideal environment. *Structure* your proposal with the aim of finding common ground. Consider your offer, how you'll frame it, the next best alternative, trade-offs and barriers to purchase. The *discussion* may lead to a deal, more counter-offers, or suspension if there's no common ground.

KEY QUOTES

"The more your interests are aligned with your prospects', the more they'll trust your ability to give the what they want."

"Your prospects know you're not perfect, so don't pretend to be."

"All prices are arbitrary and malleable… Any price can be set to any level at any time, without limitation."

"Value-based selling is not about talking – it's about listening."

You can also **reactivate** past clients if you have permission to follow up with them. e.g. Netflix sends an offer for past customers to re-subscribe at greatly reduced rates.

Value Delivery: Deliver your promise & satisfy your clients

Happy customers are more likely to buy again and refer you to others.

To ***increase satisfaction***, provide *predictability* (i.e. reliability, uniformity of experiences, consistency of value) and exceed *expectations* (e.g. with surprise bonuses). Instead of fighting head-on with your competitors, get ahead by innovating and *creating more value* for customers.

Map out your **value stream** – all the steps and processes needed to deliver the outcome to your clients – to find areas for improvement:

- Consider your *throughput* (how fast your system achieves its goal, e.g. dollars, units, satisfaction) and *systemization* (how to make processes explicit and repeatable).
- When you can *duplicate* and *automate* your processes and systems (e.g. replicate a latte production or an entire Starbucks store), you can reach more people and multiply the value delivered. By using the right *tools* to amplify your efforts, and improving your offer with each *iteration*, you can achieve massive, cumulative results over time.

Finance: Earn enough to make your business viable & worthwhile

Finance is about knowing how the money flows in and out of a business, so you can decide how to allocate it, and assess if it's producing the desired results.

Businesses must capture some of the value they create, in the form of **profits** (revenue minus expenses). Achieving **sufficiency** means generating enough profits to justify the owners' efforts, and to tide the business through unexpected bumps. Set a monthly sufficiency target - so long as your business reaches the target, it is successful.

KEY QUOTES

"People love pleasant surprises, but they hate to be caught off guard."

"Don't focus on competing – focus on delivering even more value. Your competition will take care of itself."

Quality tools give you maximum output with a minimum of input."

"Business is not about what you make – it's about what you keep."

To **increase profits**, you can reduce costs or increase revenues, though it's always better to create more value than to simply cut costs. To increase revenue, you can increase the number of *customers*, the average *size* of each transaction, the *frequency* of transactions, and/or your *prices*.

In the book, Kaufman explains many **financial terms** (e.g. profit margin, breakeven, amortization, financial ratios etc). He also briefly explains the types of **financial statements**:

- *Cash flow statements* show how money flows in and out of a business during a certain period. Ideally, cash inflow should be more than outflow, and total cash level stays above zero.

- *Income statements* show a company's revenues and expenses for a certain period, to facilitate business decisions.

- *Balance Sheets* are a snapshot of what a business owns and owes at a point in time. Both sides of the sheet always balances.

Some useful **financial tools and concepts** in the book include:

- The *Customer Lifetime Value (CLV)* is a client's value for his entire relationship with your business. The higher the CLV, the higher your *Allowable Acquisition Cost (AAC)*, or *marketing budget*.

- *Bootstrapping* is to build and run a business without external funding. It offers more flexibility and control, and you should consider external funding only if it gives you vital resources you can't otherwise obtain.

- *Opportunity costs* are the value of options you're giving up when you make a choice. Rather than analyze all your options, you can simply consider the value of your next best alternative.

- *Sunk costs* are the resources that can't be recovered once they're expended. They must not be considered when decided whether to continue a project.

- The *time value of money* says that a dollar today is worth more than a dollar tomorrow. By reinvesting your revenues, you can multiply your original resources through

KEY QUOTES

"Control your costs, but don't undermine the reason customers buy from you in the first place."

"Having 100 percent ownership and control of a profitable, self-sustaining business is a beautiful thing."

"Don't continue to pour concrete into a bottomless pit – if it's not worth the additional investment, walk away."

compounding. Some people even use this to borrow money (say, at 2% interest) to generate higher returns (say, 10%) elsewhere – this approach is risky, and should be used only if you can bear the risk.

How People Work

Businesses are created by humans, to serve humans, so it's vital to know what makes people tick.

The Human Mind

Our body is a physical system and needs nutrients, rest and exercise. Peak performance must start with proper **care for the body.**

We seek to keep our (perceived) world within acceptable limits, and we'll only take action if our "**reference levels**" are breached. For instance, you may tolerate your long working hours, until it starts to exceed 12 hours a day, or if you're diagnosed with an illness.

Our brain is constantly taking "**shortcuts**" to help us respond quickly with minimal effort. It finds *patterns* and matches them with those stored in our memories. To deal with incomplete information, it fills in missing pieces using past patterns. It also makes subconscious *associations* (e.g. linking "grapefruit" with "sour" and "orange"), and taps on stored patterns to *mentally simulate* future outcomes. Thus, developing **accurate mental patterns** (via experience or experimentation) is crucial to help us respond effectively. We can also *reinterpret* any situation to support our goals.

- There's a **cognitive limit** to how much our brain can process. Dunbar's number says that humans can only handle up to 150 stable social relationships at a time, beyond which we start to see people as objects. Personalizing the situation (e.g. imagining your loved ones being affected by your decisions) can change your choices.

When we feel threatened, we naturally go into **threat lockdown** (fight, flee or freeze). In this defensive state, nothing works. Calm your mind with exercise, meditation or sleep, acknowledge the signal and convince your mind it's safe to move on.

KEY QUOTES

"Businesses are built by people for people."

"If you want to do good work, taking care of yourself isn't optional."

"Reinterpret your past, and you'll enhance your ability to make great things happen in the present."

To inhibit our natural reactions, we need **willpower**, which is a limited resource that depletes with use. To conserve your willpower, use it to *change your environment* (e.g. remove all chocolates from your house, so you won't be tempted by them), or cultivate new *habits* (e.g. replacing snacking with walking).

Humans suffer from **absence blindness,** i.e. we can't identify what we can't see. Something doesn't seem clean unless it sparkles or smells clean. We may even take irrational actions if we're worried about not seeing progress. Through experience and the use of checklists, we can know what to look out for, and sense the unseen.

We tend to evaluate things by **comparing** them with what's readily visible. A $10,000 sofa may seem pricey against a $5 vase, but less so against a $10million house. Frame your offer such that the cost seems small (but the value seems big) next to other options.

We are naturally **loss-averse**, i.e. we hate to lose things more than we like to gain them. To shift decisions, help people to reinterpret the *risk of loss* (e.g. money-back guarantees). *Scarcity* also creates an urgency for people to buy now instead of later.

Motivation is an emotional state, and is best triggered using mental simulations, re-interpretations etc. *Novel, sensory data,* also helps to sustain interest.

Working with yourself

In this segment, we'll look at how to work more effectively.

Get in flow by removing distractions, focusing singularly on 1 thing, and doing a 10-30 min "dash" to jumpstart your mental engine. To minimize *cognitive switching penalty* when you switch tasks, set aside chunks of time (a few hours) for major tasks, and complete your minor tasks in pockets of spare time. Setting *artificial time limits* will also help you get the same work done in less time.

Process your **to-do list** in 4 ways: *complete* key tasks that you excel in, *delete* what's unnecessary, *delegate* tasks that others can do 80% as well, and *defer* tasks that aren't time-critical.

KEY QUOTES

"Save your Willpower: focus on using it to change your Environment, and you'll have more available to use whenever Inhibition is necessary."

"Our perceptual faculties are optimized to notice contrast, not to compare what we perceive with things that aren't there."

"Continue to offer something new, and people will pay attention to what you have to offer."

"Viewing your mind as a muscle is the best way to help it grow."

Every day, identify 2-3 **most important tasks** - set a deadline and focus on doing them first.

To be most effective, frame your ***goals*** in *PICS* (positive, immediate, concrete, specific), and focus on things within your *locus of control* (what you can control or strongly influence). Define what will bring your desired *states of being* (e.g. what makes you feel happy or fulfilled). Establish *habits* (e.g. exercising, reading) that support your goals, focusing on building 1 new habit at a time.

We work better with **external stimuli** than thinking in our heads. By writing, drawing or talking aloud, you can get new perspectives and insights.

Ask good questions to evoke good answers. Ask "*Why" 5 times* to uncover what you really want, so you can find new ways to achieve the ultimate goal. Ask "*How" 5 times* to identify options and the best action you can take. Ask "*what if*" to get your mind to simulate the desired outcomes, e.g. "what'd have to happen in order for…".

Imagine the **worst case scenario** – when you define your worst fears, you'll realize they're not as bad as you imagined. Identify **limiting beliefs** by listening for words like "I can't, I'm not good at".

We tend to *overestimate* our own abilities (especially when we're inexperienced), and pay attention only to info that supports our views (*confirmation bias*). *Mystery* can also make things (e.g. being a celebrity, owning a business) appear more alluring than reality. **Validate your views** by looking for counter-evidence and consulting others with experience.

Work with your body's natural **energy cycle**. Learn your energy patterns, use *peak-cycles* for creative or vital work, and use *down-cycles* to rest. Set aside *scheduled downtime* to recharge and evaluate new inputs/ changes.

For **long-term happiness**, create meaningful experiences (not just material gains), pay attention to your health & energy, spend time with people you like, remove sources of constant frustrations, and pursue new challenges.

KEY QUOTES

"The more you Externalize, the clearer your thoughts will become, and the faster you'll make progress toward your goals."

"Discover the root causes behind your Goals, and you'll discover new ways to get what you actually want."

"Asking yourself good questions helps you discover good answers."

"When you actually examine your worst fears, you'll discover that things won't be as bad as you fear."

"There's a big difference between liking the idea of being/ doing something and liking the actual being/ doing."

"Taking a break isn't a sign of laziness or weakness – it's a recognition of fundamental human need."

"You can't make positive discoveries that make your life better if you never try anything new."

Commit time and resources to **learn and experiment** (e.g. courses, field trips). Use *iterations* to test and improve any area of your life.

Working with Others

As **social creatures**, we're sensitive to *social signals* (e.g. luxury goods) that affect our perceived status. We withdraw when we feel judged or looked down upon. Make others feel *safe and important* show *appreciation* for what they're doing, be *polite*, and *respect* them as individuals.

Be deliberate about the **social circles** and company that you keep, as you become more like those you spend time with. We also prefer to work with those whom we know/like, and *referrals* transfer that sense of affinity.

The best way to get people to do what you want is to grow your **influence**. Convey belief in people, as they generally live up to your expectations (*pygmalion effect*). People also like to be *consistent* - once they've agreed to consider your offer, they'll feel obliged to do so. We tend to listen to *authority* figures (e.g. doctors, scientists); establish yourself as an expert to improve others' receptivity to you. Be deliberate about the *incentives* you offer (e.g. sales commissions vs long-term performance bonuses), as they skew behaviours.

Management is about achieving a goal by coordinating people's efforts and handling change. Keep teams *small and autonomous* to minimize the time needed for coordination. Use *comparative advantage* by having people specialize in their areas of strength and collaborating/ outsourcing their weaknesses. Always assign *1 owner* for each task, so there's clear responsibility. Focus on improving the *5 parts of the business*, using the tips above.

Explain the reason for a task or goal - it improves compliance, and allows people to take appropriate actions without checking with you all the time.

We are prone to *model bias* (assuming our ideas or approach are the best) and *attribution bias* (attributing others' mistakes to their personality, and attributing our own mistakes to circumstances). Learn to **suspend judgement** and be open to alternative views.

KEY QUOTES

"The more people who know, like and trust you, the better off you are."

"The groups you spend time with automatically and profoundly influence your behaviour."

"Obtain a small Commitment, and you'll make it far more likely that others will comply with your request."

"Management is simple, but not simplistic."

"Focus on what you can do well, and work with others to accomplish the rest."

"People will be more receptive to any request if you give them a reason why. Any reason will do."

"Keep an open mind, and you'll enhance your ability to make wise decisions."

Use **performance-based hiring** to find good candidates, e.g. examine their past achievements (not credentials), use questions that test for specific know-how, and give the top candidates a short project to test things out.

How Systems Work

Every business is a complex system, that exists within other systems.

Understanding Systems

A **complex system** is made up of interdependent parts, arranged to self-perpetuate and form a unified whole. Every system has a *flow* of resources that accumulate in *stocks* (pools of resources e.g. queues or inventories). One business challenge is to maintain an optimal amount of *slack* (so you don't have wastage nor run out of stock).

Systems also have **feedback loops**, i.e. a system output becomes an input for the next cycle. *Balancing loops* maintain equilibrium (e.g. the thermostat of a thermometer), while *reinforcing loops* amplify the output (e.g. compound interest). When a reaction creates an output that forms raw materials for a similar reaction (e.g. ads increase sales, which increase ad investments), we have an *auto-catalyzing system* that supports business growth.

Like evolution in nature, systems must pass **environment selection tests** to survive and thrive. Business systems can only survive in their markets with enough revenues. Use prototypes and iterations to test if your system is viable, before scaling and improving it incrementally.

To address **bottlenecks** in a system, you must identify the *limiting factor*, temporarily deploy all related resources and redesign other system parts to *support* the constraint, before permanently adjusting capacity and re-assessing the whole system.

Due to the number of **interconnected** parts, complex systems are hard to manage. Wherever possible, minimize *critical paths* (where 1 failure can cripple the whole system), and *counterparty risk* (where you're dependent on others delivering their promises). Moreover, complex systems are constantly

KEY QUOTES

"Businesses are complex systems that exist within even more complex systems – markets, industries, and societies."

"Selection Tests are ruthless: satisfy them, and you'll thrive. Fail to adapt to changing conditions, and you'll die."

"The more complex a system is and the longer it operates, the more likely it is to suffer a major failure. It's not a matter of if – it's a matter of when."

changing, and 1 change can trigger *domino effects* in other areas. We also need to manage *risks* (known unknowns), *uncertainties* (unknown unknowns) and *normal accidents* (which are inevitable). The best way is to stay flexible, build resilience and the ability to recover (which we'll explain later).

Analyzing Systems

To improve systems, we must first know how they're performing.

Deconstruct your complex system into its smallest possible sub-systems, to understand the components (e.g. inflows, outflows, feedback loops) and their interdependencies.

Then, **measure** how well the core and sub-systems are working, e.g. power consumption for devices, conversion ratios for sales. Establish *Key Performance Indicators (KPIs)* for critical system parts, which should relate to the 5 parts of the business. Use *ratios* to see relationships between the system components (e.g. profit per employee).

When **collecting data**, you can use *proxies* to measure 1 thing using something else (e.g. using website clicks to measure interest). *Sampling* (randomly testing a small segment as a proxy for the whole system) is a good way to find systematic errors, though smaller samples will come with higher *margins of error.*

Data is only useful with **context** (e.g. 1 million visitors to your website means nothing without details or past data for comparison). Use narratives to *humanize* the data and relate it back to the people behind it. Identify your *norms* (e.g. a 50% sales increase during Christmas), and review them periodically to make sure they're still valid. Try splitting data into *segments* (e.g. past performance, customer demographics and psychographics) for added context. Be *objective* when analyzing the data, rather than get defensive over it.

Improving Systems

Finally, learn to optimize your system, i.e. maximize the overall system output and/ or minimize the required inputs.

After you've deconstructed and analyzed your system, you may be able to *refactor* it, by grouping similar system components together for greater efficiency. Improve only up to the point

KEY QUOTES

"Measuring something is the first step to improving it."

"Find your system's KPIs, and you'll be able to manage your systems without drowning in data."

"Constant experimentation is the only way you can identify what will actually produce the results you desire."

when you see *diminishing returns*. When the incremental returns for the same input starts to decrease, focus on something else. The only way is to know what works and doesn't is to **constantly experiment.**

To keep the critical processes moving, we must constantly remove **friction** from the system (e.g. customers' effort to place an order).

- *Standard Operating Procedures (SOPs)* are useful to reduce friction for key repetitive tasks, and also to train new partners or employees. *Checklists* are a useful SOP to help you define a still-not-formalized process, so you can work toward automating the system.

- *Automation* is about operating a system/ process without human intervention, and is ideal for clearly-defined, repetitive tasks (e.g. automated receipts). Ironically, when an automation works well, *unchecked errors* can multiply very quickly. Yet, early *human intervention* (which would have been critical to stem the problem) is unlikely, as human resources aren't typically assigned to monitor a reliable system. One solution is to regularly sample and test the system, and have a recovery process in place.

Every system will fail at some point. It's inevitable, and the ability to **recover** is vital. *Stress-test* your system by simulating various conditions to see what could break your system, and use *scenario planning* to identify possible challenges. Build *resilience* (e.g. have a cash reserve, insurance, and optional strategies), and create a *fail-safe* in advance (i.e. backup systems like backup generators or external hard drives). Set aside time just to think about and *plan for the future.*

Use the **80-20 rule** to focus on critical areas that affect the bulk of your desired results. For instance, maintaining high system *reliability* is costly, so you should focus on improving the reliability of your most critical business processes first.

To avoid adding layers of **unnecessary** measures, use the *null hypothesis* to consider: what will happen if you treat an incident as a normal accident and did nothing? Consciously *stop* doing things that're counter-productive (e.g. stopping a product line, terminating an abusive client).

KEY QUOTES

"Efficient Automation makes humans more important, not less."

"Don't waste time trying to predict an unknowable future – construct the most likely scenarios and plan what you'll do if they occur, and you'll be prepared for whatever actually happens."

"Doing something is not always the best course of action. Consider doing nothing instead."

All systems have an optimal size, and sustainable systems go through the **cycle** of (i) *expansion* (focusing on new markets, new offers, creating and testing marketing, sales and value-delivery approaches), (ii) *maintenance* (focusing on execution and systemization) and (iii) *consolidation* (focusing on analysis and removing what doesn't work). You can only find the *right balance* through experience.

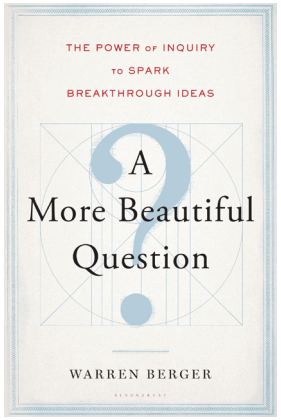
Other Details in the Book to Look out For

In the book, Kaufman explains more than 200 business concepts (including brief definitions and examples), in short segments averaging 2 pages each. This summary provides a quick overview of the various components. To get the most from the book, Kaufman recommends that you zoom in on the parts that're most relevant for you, apply them, and revisit the book regularly as a reference material. You can also refer to the official website for more resources and recommended reading.

KEY QUOTES

"Find the right balance, and you can accomplish anything."

"Self-education, whether it's about business or anything else, is a never-ending process."



A MORE BEAUTIFUL QUESTION

The Power of Inquiry to Spark Breakthrough Ideas

WARREN BERGER

The Big "So What"

Questions are an important discovery tool. In our dynamic world, the ability to ask the right questions has become increasingly important. This book explains why it's crucial to question all aspects of our work and personal lives, and how to use inquiry to uncover creative solutions and breakthroughs.

Introduction

As a journalist, Berger has widely researched and interacted with some of the world's most brilliant innovators and creators. He found that many breakthroughs can be traced back to the types of questions that are formulated and answered. In a fast-changing world where knowledge can become obsolete quickly, the ability to ask the right questions and break old ways of thinking has become more important.

Without action, questions will be philosophical at best. However, the right questions, when combined with action, bring innovation. The book addresses "**beautiful questions**", which are questions that are ambitious yet actionable. These catalyze change by helping us to see and think differently, and motivate action.

In this summary, we've condensed the key ideas into **3 parts**:

- Why Ask Questions?
- The 3-Part Framework of Innovative Questioning
- Putting Inquiry to Use

KEY QUOTES

"In such times (of constant change), the ability to ask big, meaningful, beautiful questions… can be the first steps in moving beyond old habits and behaviors as we embrace the new."

"In a time when so much of what we know is subject to revision or obsolescence, the comfortable expert must go back to being a restless learner."

"Whether or not we were ever properly taught how to question, we can develop the skill now, on our own, in our own spaces."

"We're all hungry for better answers. But first, we need to learn how to ask the right questions."

Part 1: Why Ask Questions?

The Power of Questions

Today, we can find information everywhere, and knowledge has become a form of commodity.

Many people are feeling overwhelmed by the rapid rate of change, the sheer amount of information, and the wide range of data sources—some of which can be inaccurate or conflicting. Thus, having more data can be less useful than having the ability to **contextualize** and look at things from different angles, so you can decide what to believe.

Even **technology** is better at helping us to document and organize information than to help us ask good questions. Berger argues that we should no longer focus on teaching students to memorize facts, which is better done by computers. Instead, we should train people to (a) ask the right questions, and (b frame the questions in a way that can guide computers to extract the best possible responses from the vast amount of information now available.

Questions are a powerful way to achieve creativity, innovation and change.

Questions frame our thoughts, and can be used to expand/ focus our thinking:

- Asking open or speculative questions (e.g. "why is punishment effective?") can help us to *expand our thinking*. On the other hand, asking closed, convergent questions (e.g. "is punishment effective?") can help us to *direct or focus* our thinking, to find consensus or specific answers.

- The *tone* of our questions also affects the outcome. For example, a question like, "How can we possibly survive this?" can have a very different effect from, "How can we make the most of this situation?"

The right questions, when followed through with action, can lead to **innovation and change**. For example:

KEY QUOTES

"The value of questions is going to keep rising as that of answers keeps falling."

"In some sense, innovation means trying to find and formulate new questions that can, over time, be answered."

- The question, “What if we could paint over our mistakes?”, led to the invention of the *“Liquid Paper”* correction fluid in the 1950s.

- Thee question, “Why aren’t the players urinating more after games?” led to the creation of the sports drink, *Gatorade*.

Why do we stop questioning?

Research shows that children ask about 40,000 questions between the ages of 2 to 5. Each time the brain connects stimuli or thoughts, synapses are formed, contributing to rapid brain development during this period. As students move through pre-school to elementary school and high school, the number of questions they ask decrease drastically.

If questioning is so important, why don’t more of us do it? Why isn’t questioning an official part of education and training? Berger suggests several possible reasons:

In most **schools**, the teachers are under pressure to impart tons of mandated information, and there’s no time for extra questions.

- When children are fed information and offered answers to questions they haven’t yet asked, it dampens their curiosity.

- Students are also discouraged from asking questions, and learn quickly that there are more “right” answers from text books or Google than from asking people around them. Such learning habits continue into the workplace.

Questions seem to be disruptive and challenge **authority and status quo**. Leaders, authority and experts are expected to have the knowledge and answers, and questioning brings a sense of uncertainty and vulnerability.

It’s not easy to find answers to meaningful questions, and many people don’t have the **time or patience** for them. At the workplace, people are also too busy trying to take action, and asking questions seems unproductive.

KEY QUOTES

“When we start teaching too much…we’re inadvertently cutting off paths of inquiry and exploration that kids might otherwise pursue on their own.”

Can education be built on questions?

"Teaching to the test" may have been effective in producing labour for routine factory and office work in the past. However, in our modern society, what would be the right model of education? How can we nurture learners who can be productive and thrive in the 21st century?

When students ask questions, they have more ownership of the question and are more engaged in finding the answers.

In 1974, Deborah Meier, a renowned figure in modern education, started the alternative Central Park East school, which has delivered great results. The school helped kids to understand and apply knowledge, by focusing on **5 learning skills** or "habits of mind": evidence (how you know if something is true or false), *perspective* (what are the possible viewpoints), *connection* (what are the patterns and applications), *conjecture* (what if we had different assumptions), and *significance* (why does this matter).

Montessori schools—which are **inquiry-based schools** that focus more on projects and learning rather than tests—have also nurtured many high-profile entrepreneurs, such as Wikipedia's Jimmy Wales, Amazon's Jeff Bezos, and Google's Sergey Brin and Larry Page.

However, simply asking more questions isn't enough; people must also know how to analyze their own questions and decide which ones to pursue in depth. Berger observed that there's a process of inquiry that can bring about innovation and change.

The 3-Part Framework of Innovative Questioning

Problem-solving involves different phases. Each phase comes with unique challenges, and requires a different mentality and types of questions. By giving structure to our questions and problem-solving process, we can use the right tools and approach at each stage.

In particular, there are 3 key parts to innovative inquiry:

KEY QUOTES

"Schools in many industrialized nations were not, for the most part, designed to produce innovative thinkers or questioners—their primary purpose was to produce workers."

"Being willing to question is one thing; questioning well and effectively is another."

Why: Someone comes across a less-than-ideal situation, and asks "Why" to understand the situation/problem;

What If: The questioner begins to imagine possible solutions or improvements, by asking "What If"; and

How: The person zooms in on one of the possibilities, and figures out "How" to make it a reality.

In 1976, Van Phillips lost his limb in a water-skiing accident, and was given a fake foot which was no more than a block of wood with foam rubber attached to an aluminium tube. He started to question why prosthetic feet weren't better designed, and went on to study prosthetics to learn more about the field. After 10 years of experimenting with different prototypes, he finally developed the FlexFoot line of prosthetic foot products, with breakthrough designs that changed how amputees could move and live.

Asking WHY: Step Back to Move Forwarda

Asking good "Why" questions help us to see and understand issues around us. This involves several components:

Step back, in at least 2 ways:

- *Stop "doing"*. Most of us feel pressured to keep "doing", due to our packed schedules and endless to-do-lists. In the process, we push aside questions, as they seem to hold us back. Distance yourself from the daily busyness to consider new perspectives. Ask questions like, "why am I doing this?" or "why am I doing it this way?"

- *Stop "knowing"*. The more knowledge we acquire in a field, the less receptive we become to new ideas and possibilities. Step back to review your assumptions and "expert knowledge"

Take notice of what others may have missed, and **challenge assumptions**:

- Adopt the Zen principle of Soshin, or "*beginner's mind*". Bring back your childlike abilities to see things as they are, and be open to all possibilities.

KEY QUOTES

"The mind, if preoccupied with a problem or question long enough, will tend to come up with possibilities that might eventually lead to answers."

"Asking Why can be the first step to bringing about change in almost any context."

"With more distance, a bigger picture comes to view."

"At least temporarily, it's necessary to stop doing and stop knowing in order."

"Beginner's mind is akin to adopting a more childlike mind-set."

- Don't be afraid to ask *naïve questions*, as it forces people to explain things simply and clearly.

- You can never truly be really at a *dead end*. If you look at things from another angle, there'll always be new details and possibilities.

Build a deeper understanding of the problem or situation through **contextual inquiry**. If you're too far from the problem, you cannot effectively ask the right questions. Get close to the question, so you can personally observe and understand the issue in context.

Question your questions. Sometimes, our biases and assumptions are hidden in the question we ask. Ask yourself, "What are the assumptions behind this question?" and "Should I be asking a different question?"

Use these tips to **improve and deepen your questioning**:

- To avoid circuitous questioning, use the *5 Whys method* by Toyota founder, Sakichi Toyoda. Basically, you ask "why" 5 times:
  Why am I exercising? (To lose weight);
  Why am I trying to lose weight (To be healthier);
  Why am I trying to be healthier? (To fall sick less);
  Why am I trying to fall sick less? (To be more energetic)
  Why do I want to be more energetic? (To be free to do what I want).

- The Right Question Institute (RQI) found that you can *open and close a question* to improve it. For example, you may start with an open question like, "Why is my boss hard to get along with?". Then, ask a closed question, "Is my boss hard to get along with?". You may realize that other colleagues do get along with your boss, and hence revise your open question to, "Why do I find it hard to get along with my boss?"

Take ownership of your chosen question, and be prepared to persist to find your answers and solutions. One subset of "Why" questions are "*challenger questions*". They come with an attitude of rebelliousness and an unwillingness to conform, e.g. "Why should we accept this?" or "Why can't something be done?". Such questions can be uncomfortable as they're

KEY QUOTES

"You have to be adventurous enough (and humble enough) to enter the 'know nothing' zone of a constant questioner."

"Contextual inquiry requires a commitment to the question you are exploring."

"A game-changing question can come from anyone… nonexperts or outsiders are often better at questioning than the experts."

"To question well, you must have the ability to say, 'It doesn't have to be that way.'"

disruptive and challenge authority. You're also likely to be counter-challenged, as people question, "What makes you think you know more than the experts?"

Asking WHAT IF: Imagining Possibilities

During the "What If" stage, we are in brainstorm/dreamer mode, where nothing's impossible. At this phase, it's important to allow the ideas to surface, however crazy and improbable they may seem.

Connective inquiry. Breakthrough ideas often involve mixing and matching different ideas or things that may seem totally unrelated.

- Our brains are made of huge networks of neurons. Whenever we make associations or connections, new synapses are created. Regular questioning helps to enrich the network of *neural pathways*, to build the foundation for insights and breakthrough ideas later.

- Although you start with a beginner's mind, make sure you acquire knowledge from *different viewpoints* along the way Ask yourself questions like, "What if we combine A and B, or F and Z?"

- For example, Van Phillips did a lot of connective inquiry in exploring options for the prosthetics foot. One of the biggest breakthroughs was the Cheetah, which combined inspirations from animal legs, diving boards and curved Chinese swords, in a way that allows an amputee to walk, run and jump.

Allow ideas to incubate. During the "What If" stage, it's important to *allow an idea to "sit" with you* for a while, i.e. think deeply about something, then step away and allow your brain the chance to work on it and develop fresh insights. Our brains are more creative when we are relaxed. Hence, it's most productive to do such inquiry when you're having a walk, or just before bedtime (so your unconscious mind can work on the question while you sleep).

Jumbling your brain. Sometimes, our conscious mind may be resistant to certain ideas. You can "force" your brain to become more open, by deliberately coming up with ideas that are

KEY QUOTES

"Getting to a better alternative may be a long process, but it has to start somewhere—and that starting point often involves questioning the status quo."

"The What If stage is the blue-sky moment of questioning, when anything is possible."

"What If possibilities are powerful things; they are the seeds of innovation."

"Coming up with original ideas or insights…often involves the ability to combine ideas and influences, to mix and remix things that might not ordinarily go together."

"Exploring What If possibilities is a wide-open, fun stage of questioning and should not be rushed."

clearly nonsensical or "wrong". These trigger new synapses in the brain to loosen old, persistent neural connections and make it easier to forge new ones.

- Create *unusual word-combinations* to get your creative juices flowing. Consider questions like, "What if we sold socks that don't match?", or "What if students go to school to teach rather than learn?"

- The goal of these exercises is not to find the creative ideas per se, but to *train your "What If" muscles*.

Asking HOW: Making Things Happen

This stage is about finding workable solutions and implementing them. It's the slowest stage fraught with difficulties, and most of your "What If" ideas will fail in this phase.

Decide which ideas you're willing to take to the next level. To commit to an idea, you need to **give form to it**, e.g. by sketching it on paper, or creating a video or prototype that you can test/ get feedback.

The key to success is to **fail forward**: keep experimenting, learning from your failures and finding ways to improve.

- In an experiment, kindergarten kids beat Harvard MBA graduates in a challenge to build the tallest possible structure with a range of materials. The kids won because they *moved quickly from "What If" to "How"*, trying various combinations to learn what worked, while the adults spent too long in the "What If" phase.

- To *stay positive* in face of failures, focus on questions like "What have I learned?" and "How can I try a better approach?". So long as you are failing for a different reason each time, and trying new things, you're learning.

Collaborative inquiry. If you don't know the solution, link up with people who may know the answers. By sharing your question or challenge, you invite like-minded people to find solutions with you. These answers are often not conclusive, but will lead you to another level of questions and exploration.

KEY QUOTES

"The How stage of questioning is…the point which things come together and then, more often than not, fall apart, repeatedly."

"The basic principles of the test-and-learn approach apply in almost any situation where people are trying to solve problems in dynamic, uncertain conditions."

"The trick is to go from one failure to another, with no loss of enthusiasm."
- Winston Churchill

The point is to keep moving your idea forward, bit by bit, with continuous question-answer cycles.

Putting Inquiry to Use

Questioning in Business and at the Workplace

Most companies aren't built for questioning. Senior management tend to see questions as a threat to their credibility, chain of command and accepted practices. People also feel they have no time to ask questions, and they may not even know what to ask.

In fact, many business leaders probably rose to their positions because they could provide answers, and asking questions make them feel exposed and vulnerable. A **good leader** must also know when to stop questioning, and to start narrowing down potential outcomes to move forward.

Yet, no leader can know the answer to every question. Leaders can **empower people** to ask questions and share perspectives, to get questions and ideas from both inside and outside the company.

To succeed, businesses must now ask more expansive questions involving "why", "what if", and "how", rather than old/closed questions involving "how many", "how much" or "how fast".

A good place to start is to ask **questions about purpose**, as they guide leaders to take the right actions, especially in times of uncertainty or change. Most great companies exist to answer a question and solve a problem. Good questions can refresh that sense of purpose, e.g. "Why are we in business?", "What business are we really in?", "If our company didn't exist, who would miss us?", "Who were we when we were at our historical best?", or "Who must we become to fulfil our purpose?".

You can use **What if questions** to unlock good ideas or manage constraints, e.g. "What if we had unlimited budget to create our solutions?", or "What if we could charge $1 for something worth $10?"

KEY QUOTES

"Inquiring minds can identify new opportunities and fresh possibilities before competitors become aware of them."

"While the leader can look outside for help with questioning, certain core leadership questions can only be answered by looking inward."

"Purpose questions are important because if you can answer them, that frees up company leaders to pursue all kinds of far-reaching opportunities and questions, knowing all the while they are on firm footing."

Use questions to unleash your **entrepreneurial spirit**, e.g. "How can we experiment better?", "What can we learn?" and "If we're a startup again, what will we experiment with?"

Group brainstorming may not always deliver fresh ideas, due to the effects of peer pressure and influence. An alternative is **questionstorming**, suggested by Hal Gregersen. Unlike brainstorming (which focuses on the number of ideas), question-storming focuses on quickly improving the questions, to eventually focus on, say, the 3 best questions to be explored further.

Rather than state your mission statement as if you have already arrived, it may be more effective to list it as a **mission question**, by using the words, "*How might we*?". For example, instead of "To inspire healthier communities through real food", your mission question can be, "How might we inspire healthier communities through real food?"

- Presenting your mission to answer an ambitious statement can actually sound more humble and impressive. It also reminds people to keep asking if the mission is still relevant as a driving force, and if the company still lives up to its mission.

- Pair your mission question with questions like, "Why are we doing what we're doing?" and "How might we do it better?".

A **culture of inquiry**—where employees are encouraged to question—can bring dynamism and creativity to a business. At Google, anyone can ask questions, and an intra-social network is used to manage the Q&A.

However, not all companies are ready for such a culture, as it requires **system-wide changes** to policies, practices and leadership. The shift must *start at the top*, with leaders being willing to ask, accept and answer questions—including tough questions—from anywhere in the organization.

This must also be supported by a **conducive learning environment**:

- This may include *opportunities* to learn from both insiders and outsiders, collaborate with others, share work-in-progress, exchange questions and ideas. Google allows

KEY QUOTES

"When a business culture is inquisitive, the questioning, learning, and sharing of information becomes contagious—and gives people permission to explore new ideas across boundaries and silos."

employees to devote 20% of their time to independent projects, and created Google University to make the workplace into a learning place.

- Eric Ries (the author of "Lean Startup") suggests that both successful and "failed" experiments should be *rewarded*, so long as they provide valuable learning.

To grow and maintain a culture of inquiry, it also helps to add **new people** who're naturally inquisitive. When interviewing new hires, you can require all candidates to come with a few "Why", "What If" and "How" questions. You can also ask questions during the interview and ask the candidates to build on these questions.

Questioning for Life

Most of us are too busy to really stop and ask why we're doing what we're doing. Berger suggests that we may even avoid the difficult questions as we silently fear the answers they'd bring.

Seminars, self-help books etc. may provide off-the-shelf answers, but they cannot replace the role of **self-questioning**. Only you can find the answers to your life and unique situation.

- Don't just focus on getting things done. Step back, slow down and *gain clarity*, so you can move forward with focus and energy.

- Rather than ask questions like "How can I get promoted?", try asking questions like, "What's at the top of the ladder?", "What will I do after I get there?", "Am I enjoying the climb?", "What am I leaving behind for the climb?"

When innovating, don't just look for what's missing; **consider what is already there**, e.g. existing strengths and assets. Use *appreciative enquiry* to make positive changes in your life, e.g. "What has worked for me before, and how can I create more of that in my life?", "What am I naturally drawn to repeatedly?"

"Live your questions" by trying them out to see the outcome. For example, to find the best career shift, try out different projects or contract roles, to experience what really works for you. You may be surprised at what you'd discover.

KEY QUOTES

"Company leaders and managers may be able to provide some basic tips on what to look out for, but the most important thing they can offer employees is the freedom to venture outside the bubble and do their own investigations."

"One of the hallmarks of innovative problem solvers is that they are willing to raise questions without having any idea of what the answer might be."

"Experimentation can be thought of as, simply, the ways you act upon questions."

Failure is inevitable in innovation and entrepreneurship. It's often recommended that you ask, "What would I do if I could not fail?" to free yourself to think big. However, success requires the ability to persist in face of failure. Alternative questions to ask could be, "How will I recover if I fail?" or "What's worth doing regardless of whether I succeed or fail?"

Questions, when properly formulated, can encourage people to break away from their own points of view, to consider different perspectives and engage in a **real dialogue**.

- For example, people may react defensively to statements like "Gun owners must be more responsible", but be *more open* to questions like, "Do you believe in gun responsibility?"

- To *open up your own mind*, ask questions like, "Why might they see the issue differently?", or "What are the assumptions that we're each holding?".

- *Empathic questioning* also helps us to narrow the gaps, connect with others, and find common ground. To strengthen relations, try questions like, "Why do I feel as if we're not getting along and how can I change that?" or "What went well in the family this week and how can we do better?"

Finding your beautiful question takes time.

- Reflect on it, and allow the ideas, possibilities and connections to **sit with you**. If the question is too big and overwhelming, break it down into smaller Why, What If and How questions.

- **Express your personal purpose** in the form of a question, as it helps you to focus, become more open to new options, and pursue your your purpose adventurously without feeling the need to know all the answers.

- **Test out the questions** with small actions, starting with the one that resonates with you most. As you pursue a question, you may be surprised at how much you know, as well as how much you can learn.

KEY QUOTES

"There is a way back from almost anything, and once you acknowledge that, you can proceed with more confidence."

"Questions—if worded sensitively—can show respect to both sides of an issue, invite participation, and open up conversation."

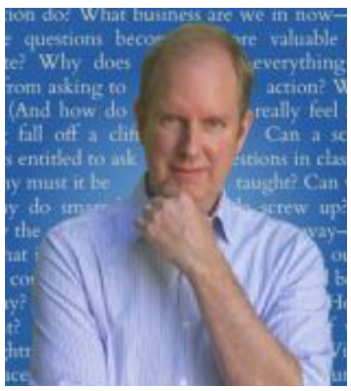
"What will make it a beautiful question for you, and one worth staying with, is the passion you feel for it."

"You may have lists of things to do, goals to achieve… but if you have one compelling question, it's harder to set aside and ignore."

Other Details in the Book to Look out For

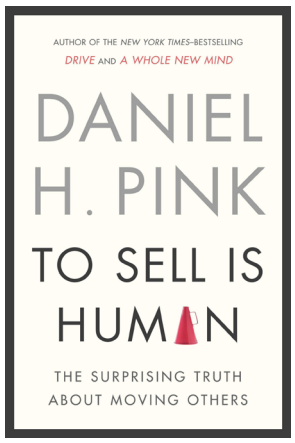
The book is organized into 5 parts. It includes over 40 segments, each structured around a question about education, innovation, problemsolving, or business, e.g. “Why do kids ask so many questions?” and “Why are you evading inquiry?”. It presents examples, background and perspectives to help us think about each question. In this summary, we’ve captured some of the key ideas and tips. You can get more articles, quizzes and resources at http://amorebeautifulquestion.com.

About the Author



Warren Berger (born 1958) is an American journalist, blogger and author, who has written primarily on innovation, design, mass media, and popular culture. He worked as a newspaper journalist and a magazine editor before founding his own independent writing business in 1990. Berger graduated from Syracuse University’s S. I. Newhouse School of Public Communications.

KEY QUOTES



To Sell is Human

The Surprising Truth About Persuading, Convincing and Influencing Others

BY DANIEL H. PINK

The Big "So What"

When we think of "sales", most of us think of pushy door-to-door salespeople or slimy used-car salesmen. In this book, Pink shows how outdated this perspective is. In fact, *all* of us sell – as part of our work and lives, we constantly influence, sway or persuade others to take action. Whether you are in a sales role, or need to influence others at work, this book provides fresh perspectives and useful techniques to help you improve your ability to move and influence others.

Redefining Sales

Most of us don't consider ourselves to be salespeople. In fact, we tend to associate sales negatively with words like "slimy", dishonest", or "pushy". In the book, Pink shows us how outdated our notion of sales can be, how the world of selling has changed, and why everyone sells. In fact, many companies that thrived on the traditional sales approach (e.g. the Fuller Brush Company, Encyclopedia Britannica) have already faded into oblivion.

The Shift from Selling to Moving

Monetary sales. In today's digital internet age, consumers are able to do their own research and comparisons, and get purchase advice from their social networks. In most cases, consumers have as much (if not more) information as the salesperson – cajoling or withholding information can no longer work, and the traditional way of selling is dead. To persuade people, you must move them.

Non-monetary sales. Most people spend about 40% of their workhours doing "non-sales selling", i.e. convincing others to

KEY QUOTES

"The ability to move others to exchange what they have for what we have is crucial to our survival and our happiness."

"We're persuading convincing, and influencing others to give up something they've got in exchange for what we've got."

"Like it or not, we're all in sales now."

"To sell well is to convince someone else to part with resources – not to deprive that person, but to leave them better off in the end."

"In a world where anybody can find anything with just a few keystrokes, intermediaries like salespeople are superfluous."

"As we rely ever more on websites and smartphones to locate and purchase what we need, salespeople themselves – not to mention the very act of selling – will be swept into history's dustbin."

exchange their resources (e.g. expertise, time, effort, attention) for something they want. Such activities are a significant part of work, and are vital for one's professional success.

Everyone sells. When we consider both sales and non-sales selling, *everyone sells*. However, instead of product pushing, we must now move people into action. In Pink's words, we're all in the "moving business".

The 3Es Behind the Moving Business

How did so many of us end up as salespeople, or rather, movers? The book explains 3 key factors (or 3Es) behind this trend:

Entrepreneurship: The Web and smartphones have made it easier and more affordable to start a business, bringing a surge in the number of small and micro businesses (small businesses operated by 1-2 people). While large organizations rely on specialization, small business owners must wear multiple hats; they must oversee all aspects of their business, including sales. As the number of entrepreneurs continue to grow, so will the number of salespeople.

Elasticity: In steady, unchanging environments, specialized skills can be highly effective. However, in today's ever-changing landscape, we must learn and adapt quickly - "elasticity" is now an essential skill for success. This involves:

- Doing jobs and applying skills that go *beyond artificial boundaries* like marketing, design, or accounting; and
- *Developing skills that can be repurposed or applied in new ways* to match industry changes.

Whether you are an employee or a business owner, your work will become increasingly elastic. For example:

- *Atlassian*, an enterprise software developer, achieved $100 million in annual sales without a single "salesperson". Instead, everyone in the company - from the engineer to the customer service staff - focuses on sales.
- *Palantir*, which specializes in big data analytics and software,

KEY QUOTES

"The very technologies that were supposed to obliterate salespeople have lowered the barriers to entry for small entrepreneurs and turned more of us into sellers."

"Being an entrepreneur, for at least part of one's livelihood, could become the norm rather than the exception. And a world of entrepreneurs is a world of salespeople."

"A world of flat organizations and tumultuous business conditions…punishes fixed skills and prizes elastic ones."

"What an individual does day to day on the job now must stretch across functional boundaries… And when the next technologies emerge and current business models collapse, those skills will need to stretch again in different directions."

uses "forward-deployed engineers" to interact with customers. That way, the engineers can directly address customers' problems, learn what customers need, find problems and figure out what sells. Palantir doesn't even provide sales training; instead, all its staff read 2 books that emphasize the importance of understanding market information, and nimbleness in thinking.

The skill of moving others is an example of an elastic skill that's relevant across time, functions, and industries.

"**Ed-Med**": Education and Healthcare are 2 of the fastest-growing industries, and Pink refers to them as "Ed-Med". Motivating students to pay attention and learn, and encouraging patients to adopt healthier lifestyles, are all aspects of non-sales selling. At the core, Ed-Med is about moving people to take action, so they can achieve an outcome that's good for them. The only way to convince people to change their behaviour is to engage them as partners or participants. Only then can you find a way to match what they want with what you can offer. As the Ed-Med industry grows, more people need to become well-versed in the art of moving others.

From Caveat Emptor to Caveat Venditor

In the past, sellers had more information than buyers, and the onus was on buyers to check the quality and suitability of the products, before making a purchase (**Caveat Emptor**). People had no recourse even if they were cajoled into bad deals.

However, with the internet, the power has shifted in buyers' favour.

- Buyers today have almost **equal access to information** as sellers. For example, if you wish to buy a pre-owned car, you can do your online research on various car models, used-car companies, and even a vehicle's accident and repair history.

- Buyers also have the **option to retaliate** (e.g. share bad reviews on the internet or social media) if they're unfairly treated.

The new rule is now **Caveat Venditor** (i.e. seller-beware, with the seller being accountable for providing the necessary info to the buyer). Effective selling is no longer about being the most persistent

KEY QUOTES

"Most of us are movers; some of us are super-movers."

"To move people fully and deeply requires something more – not looking at the student or the patient as a pawn on a chessboard but as a full participant in the game."

"In a world of information parity, the new guiding principle is caveat venditor – seller beware."

"When buyers can know more than sellers, sellers are no longer protectors and purveyors of information. They're the curators and clarifiers of it – helping to make sense of the blizzard of facts, data and options."

"In a world of information parity, the new guiding principle is caveat venditor – seller beware."

"Whether you're in traditional sales or non-sales selling, the low road is now harder to pass and the high road – honesty, directness, and transparency – has become the better, more pragmatic, long-term route."

or aggressive. It's about being transparent and empathetic, and helping buyers to make sense of available facts and options, so they can make the best choices.

To achieve this, it's important to bust 3 myths about sales:

- **Selling is not a role for less intelligent people**. In fact, the skills needed for sales are as valuable, if not more so, than high-IQ roles like engineering or medicine.

- **Salespeople are not money-grabbers**. Outstanding salespeople are often driven by a wider purpose, and non-sales selling is primarily motivated by non-monetary factors.

- **There are no "natural salespeople"**. Everyone sells, and we all sell naturally.

How to Be a Good Mover

Many successful salespeople live by this age-old adage, "Always be Closing". They're singularly focused on getting their prospects to say "yes" to what they're selling. Pink proposes a new set of ABCs – Attunement, Buoyancy and Clarity – that are better suited for the new paradigm.

Attunement

Attunement is about aligning yourself with others and the situation, stepping outside your own perspective and putting yourself in others' shoes. To effectively attune yourself to others' perspectives, there are 3 key rules or principles:

Lessen your power to amplify it. Research has shown that people with more power are usually less sensitized to others' points of view. Hence, regardless of your actual position, assume that you are starting with a position of lesser power. This helps you to attune yourself to others' perspectives and become a more effective mover.

Amazon founder, Jeff Bezos, always adds an *empty chair* in his meetings, to remind everyone to consider the perspective

KEY QUOTES

"Each of us – because we're human – has a selling instinct, which means that anyone can master the basics of moving others."

"Attunement, buoyancy, and clarity: These three qualities… are the new requirements for effectively moving people on the remade landscape of the twenty-first century."

"Attunement is the ability to bring one's actions and outlook into harmony with other people and with the context you're in."

"The ability to move people now depends on power's inverse: understanding another person's perspective, getting inside his head, and seeing the world through his eyes.""

of an important stakeholder - the customer. Try this at your meetings.

Use your head + heart. To be effectively attuned, you need both cognitive thinking and empathy (i.e. logic *and* feelings). In fact, you should consider not just the people themselves, but also their wider social networks and relationships (which affect their biases, preferences etc.). Try these 2 exercises to hone your attunement:

- *Meet the time traveller*. Try to explain a modern item (e.g. a smartphone) to an imaginary person from 300 years ago – it'll force you to consider how different others' perspectives are.

- *Draw a discussion*. To tune in to others' behaviours and moods, map out the flow of content and feelings at a meeting.

Strategic mimicry. We naturally (and often sub-consciously) mirror the behaviours of the people we interact with. Strategic mimicry (e.g. repeating others' words, aping their mannerisms) can produce better results in negotiations or sales. However, it has to be sincere and natural, like a chameleon blending into its environment.

- Try the *Watch-Wait-Wane* approach. *Watch* the other person, then *wait* a while before copying something (e.g. words, tone, gesture). Slowly *wane* to become less conscious of your mimicry.

- *Mirror image*. Pair up with a partner. Study each other for 30s, then turn around and change a part of your appearance. Face each other again after 60s and try to identify the change(s).

Many people assume that good sales people should be extraverts. However, research suggests that ambiverts – people who are neither extremely introverted nor extroverted – fare even better at moving others. That's because they can balance between listening (and keeping quiet) and speaking up. Identify your natural tendencies at www.danpink.com/assessment, and learn to adjust your behaviours - introverts should learn to speak up more, while extroverts should learn to hold back and listen.

KEY QUOTES

"Synching our mannerisms and vocal patterns to someone else so that we both understand and can be understood is fundamental to attunement."

"The key is to be strategic and human – to be strategic by being human."

"Most of us are ambiverts, sitting near the middle, not the edges, happily attuned to those around us. In some sense, we are born to sell."

Buoyancy

One of the toughest aspects of sales is the sheer volume of rejections. Buoyancy is about balancing determination with optimism. Use these 3 tips *before*, *during*, and *after* the sales process, to cope with rejections:

Questioning Self-Talk. Use this to prepare yourself ***before*** the sale. Pink suggests that this is even more effective than affirmations or positive self-talk. Instead of affirmations like "I can do this" or "I will achieve this", ask yourself, "Can I do this?" or "Can I achieve this?". Then, list down 5 reasons why the answer should be "yes". Such questions draw out your intrinsic motivations, as well as strategies and answers needed to complete the task.

Positivity Ratio. ***During*** the sales process, negative emotions, like fear or anger, can trigger the fight-or-flight response in others. Positivity, on the other hand, brings several benefits:

- It puts people in an *expansive mode*, so they focus on possibilities and are more open to ideas for a mutually-beneficial outcome;
- It's more effective in *transferring belief* or conviction; and
- It paves the way for a long-term relationship or *future dealings*.

However, some negative experience is still good to keep us on our toes and motivate growth. Research suggests that a positivity-negativity ratio of about 3:1 is most ideal – having 3 positive encounters (e.g. a praise, a happy customer) for every negative encounter (e.g. a rejection, an embarrassing incident) helps you to flourish.

- *Aim to achieve the 3:1 ratio*. Identify and monitor your ratio via this website/link. Focus on displaying positive emotions throughout the day; it'll also boost your chances to move others.
- Count the number of rejections you've had in a day or week, and frame up some of them. *Embrace the rejections* and remind yourself how much you've already survived.

KEY QUOTES

"Positive self-talk is generally more effective than negative self-talk. But the most effective self-talk of all doesn't merely shift emotions. It shifts linguistic categories. It moves from making statements to asking questions."

"While negative emotions help us see trees, positive ones reveal forests."

"Actually believing in what you're selling has become essential on sales' new terrain."

"A particular recipe – a golden ratio of positivity – leads to the best results."

"Optimism, it turns out, isn't a hollow sentiment. It's a catalyst that can stir persistence, steady us during challenges, and stoke the confidence that we can influence our surroundings."

Explanatory Style. How we explain our experiences ***after*** the sales process can determine if we feel helpless or resilient. Renowned psychologist, Martin Seligman, found that people who explain negative experiences as permanent, pervasive and personal, tend to develop "learned helplessness".

- Learn to *adjust your explanatory style*. Think of a rejection as temporary (it'll pass), specific (it's unique to this incident) and external (it's not about me), so you can cope and perform better.

- Write yourself a *rejection letter*. Use this to get over the fear of rejection, and possibly identify blind spots in your proposal.

Clarity

We've no shortage of information today. The ability to cut through the clutter, identify problems, and present solutions clearly, has become more valuable.

Identify problems. With the internet, finding information is easy. What's more challenging is helping people to find or identify problems that they didn't previously see – these new perspectives move people and influence their choices.

To identify the right problems, we need to get skilled in 2 areas:

- **Curating information**. Rather than present more data, learn to sort through the sea of information, and present the most relevant and illuminating pieces. Try this approach: Seek (define the topic and collect the best possible data), sense (make sense of the info), and share them (through social media, email, etc.)

- **Asking questions**: Rather than present answers, learn to ask good questions that help to uncover underlying issues. For example:

  - Use these *2-questions*: "On a scale of 1 to 10, how ready are you to…(do the desired action)?" Then ask, "Why isn't your number *lower*?" When you ask for a lower (rather than higher) score, it makes people examine their existing motivation for action.

KEY QUOTES

"Clarity (is) the capacity to help others see their situations in fresh and more revealing ways and to identify problems they didn't realize they had."

"The ability to move others hinges less on problem solving than on problem finding."

"One of the most effective ways of moving others is to uncover challenges they may not know they have."

- Try the "*Five Whys*" approach: Identify an issue, and find the underlying problems by asking "Why" 5 times.

Frame your Offer. Try using one or more of these 5 frames to highlight the value of your solution:

- *Reduce*. When you give people *fewer options* to choose from, sales can actually increase. Removing inexpensive items from a bundle can also increase the *perceived value* of the bundle. Remember: less can be more.

- *Experience*. Experiences generally bring greater customer satisfaction and repeat business (vs mere products). Sell experiences, not products (e.g. sell indulgence, not chocolates).

- *Labels*. When people are labelled positively (e.g. "generous", "kind"), they tend to raise their behaviour to fit the labels.

- *Blemishes*. If your offer won't be scrutinized in detail, try adding a small blemish to the list of positives. This highlights your positives by contrast, and adds a touch of honesty.

- *Potential*. Research shows that people are actually more receptive to things that have great potential ("this could be the next game-changer"), than things that're already good ("this has totally changed the game"). Don't just emphasize your past achievements; highlight what you can achieve in the future.

Give clear directions. Once people see the problems and the value of your solutions, make sure you provide details on what exactly they should do next.

What To Do to Move People

Now that we know the qualities required to effectively move people, let's look at the 3 things we need to do – Pitch, Improvise and Serve.

KEY QUOTES

"Being honest about the existence of a small blemish can enhance your offering's true beauty."

"Today, we have more opportunities to get out our message…But our recipients have far more distractions."

Pitch

A pitch is not mean to convince others; it merely arouses interest and draws others into a conversation. For many years, salespeople practiced "elevator pitches" – a succinct way of presenting what you offer, in the short time you have with a stranger in a lift. Well, this is outdated, says Pink. Today, everyone is constantly on their mobile phones, and we should learn 6 new tricks to replace the elevator pitch:

1. **One-word Pitch**. The idea (conceptualized by advertising veteran Maurice Saatchi) is to distill what people associate with you to just one word. For example, Google has claimed the word "search", MasterCard has claimed the word "priceless", and President Obama built his strategy around the word "forward". Start with a 50-word pitch, reduce it to 20 words, 6 words, and eventually 1 word.

2. **Question Pitch**. When you make a statement, it's received passively. When you ask a question, people respond aloud or in their heads, and they consider why they agree or disagree with you. Find your strongest arguments and frame them into questions.

3. **Rhyming Pitch**. Use sentences that rhyme (e.g. "Leaders are readers" or "Life is mostly strife"). These are more easily processed and remembered, and people tend to unconsciously believe them to be true or accurate.

4. **The subject-line pitch**. Every email that we send is actually a pitch – the title determines if someone will read it. Generally, people open emails when:

   - It contains something obviously *useful* to them, i.e. they have something to gain or lose (e.g. "5 proven ways to double your income"); or

   - It's uncertain what the email contains, i.e. it piques their *curiosity* (e.g. "5 strange ways to make money").

   The former is more effective if the recipient has a high email load.

KEY QUOTES

"The purpose of a pitch…is to offer something so compelling that it begins a conversation, rings the other person in as a participant, and eventually arrives at an outcome that appeals to both of you."

"In a world where buyers have ample information and an array of choices, the pitch is often the first word, but it's rarely the last."

"By making people work just a little harder, question pitches prompt people to come up with their own reasons for agreeing (or not)."

"Remember: Pitches that rhyme are more sublime."

Twitter pitch. A tweet has 140 characters or less, and should get the reader to reply, click a link, or share with others. Better-performing tweets tend to ask questions, provide useful info and/or links to the latest news. Try developing your pitch in 120 characters or less.

Pixar pitch. Pixar films usually follow a 6-part narrative structure: "Once upon a time, ... Every day, ... One day, ... Because of that, ... Because of that, ... Until finally, ...". Try applying this structure to your pitch.

Practice sheets for the above are available from Pink's website. In the book, Pink also provides a range of other tips, such as considering what you want someone to know, feel, and do after hearing your pitch, using visuals or props, and learning from others' pitches.

Improvise

Things don't always go according to plan and we need to improvise. Here are 3 useful tips for improvisation:

Listen out for offers. Often, what we perceive to be a rejection is actually an offer. For instance, "I'm not ready to buy that *yet*" could be an offer to buy later, or "$100 is out of my budget" could be an invitation for a lower quote. During your conversations, try *pausing for 5 seconds* before you respond, so you learn to slow down and listen.

Use "Yes and...". Instead of saying "No" or "Yes, but...", use "Yes, and..." to shift your mind toward possibilities. For example, "Yes, I understand your concerns, and...."

Make others look good. Rather than focus on sharing your views, ask questions and be genuinely interested to find out why others see or feel differently from you. Try this exercise: Find a partner, select a topic with 2 distinctly different views, and have each person adopt a stance. Get your partner to make his/her case – you can only listen and reply with open-ended questions that are do not convey an opposite or contradicting view.

KEY QUOTES

"The best pitches are short, sweet and easy to retweet."

"The only way to hear (offers) is to change the way you listen and then change the way you respond."

"Many of us have become desensitized to 'win-win' from hearing it so regularly but experiencing it so rarely."

Serve

When people are genuinely moved, the impact can be long-lasting. Here are 2 principles to make selling more meaningful:

Be Personal. When you put a face to an issue or situation, it makes it personal and tangible. A medical report (full of test results and diagnosis) can feel cold and distant. However, when you add the patient's photograph to the report, it creates a strong reminder that there's a real person whose life or health is at stake.

There are 2 sides to making something personal. First, you need to think of the *people you serve* as unique individuals (e.g. put yourself in their shoes, or treat everyone like how you'd treat your grandmother). Second, you want them to *know who you* are, as the person behind the product or service (e.g. include your photograph when inviting feedback).

Focus on purpose. Research found that people are more willing to take action for a bigger purpose, than for their personal gains. For example, hospital professionals were more willing to wash their hands when they were reminded of the effect on their patients' health (than when they were reminded of the effect on their own health). Sales and participation increased when people heard stories of how their contributions would improve others' lives. Hence, remind people of the reason for participating, and appeal to their sense of purpose or empathy.

- Rather than try to sell more to people, try to deliver beyond expectations. In other words, *upserve, don't upsell*.

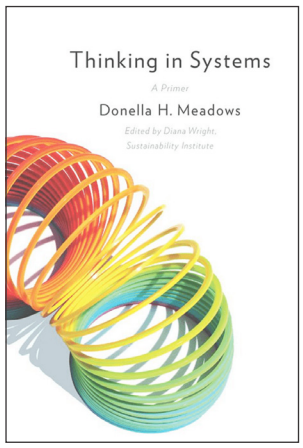
- *Do a self-check*. Always ask yourself: (a) If the person agrees to buy what I'm selling, will his/ her life improve? (b) Will the world be a better place after I finish this interaction? If your answer isn't "yes" to both questions, review what you're doing.

KEY QUOTES

"In both traditional sales and non-sales selling, we do better when we move beyond solving a puzzle to serving a person."

"The stories made the work personal; their contents made it purposeful. This is what it means to serve: improving another's life and, in turn improving the world."

"Don't try to increase what they can do for you. Elevate what you can do for them.""



THINKING IN SYSTEMS

A Primer

DONELLA H. MEADOWS

The Big "So What"

We live in a complex world of inter-locking systems. Systems thinking helps us to understand how things work, so we can better identify root problem causes, see new opportunities, make better decisions and adapt to changing circumstances. In this summary, we will:

- Give an overview of systems thinking concepts and principles; and
- Explain how to apply systems thinking in real-life.

Systems: Concepts and Principles

What are Systems?

Definition: A system is a set of interlinked elements that are organized to achieve a goal.

- Every animal, plant, organization and society is a complex system. A system's structure defines its *behavioral pattern*. While systems may be influenced by external forces, the *way* they respond to these forces tend to come from their inherent characteristics.
- This means that the economy will move in cycles regardless of what political leaders do. Companies that lose market share would've done so regardless of how competitors respond. Unless we can see how systems operate and create their own problems, we can't identify and address the *root causes*. We'll be like the proverbial blind men, each touching a different part of an elephant and drawing different conclusions about what an elephant is like.

KEY QUOTES

"We know a tremendous amount about how the world works, but not nearly enough."

"Systems happen all at once. They are interconnected not just in one direction, but in many directions simultaneously."

A system is **more than the sum of its parts**. Its elements are interrelated, e.g. the organs in your digestive system jointly break down the food you consume. Systems can be a part of larger systems, and may be able to achieve goals, evolve or even self-repair.

- *System elements* can be physical (e.g. machines, people, products) or intangible (e.g. culture, values, skillsets).

- Due to the sheer number of elements and sub-elements, it's more useful to examine the *interconnections* between elements—these may be physical (e.g. how products move through a factory) or information-based (e.g. how a customer decides to buy something).

- A system's *purpose* is the hardest to decipher—the only way to do so is to observe exactly how the system behaves. Since each sub-system has its own goals, a system can have a complex network of sub-systems and goals. For example, the students and staff in a university will have different goals from the university itself.

- Elements are the most observable but least crucial. The *greatest impact* comes from changes to the system's purpose, followed by its interconnections and elements.

KEY QUOTES

"The behavior of a system cannot be known just by knowing the elements of which the system is made."

"Purposes are deduced from behavior, not from rhetoric or stated goals."

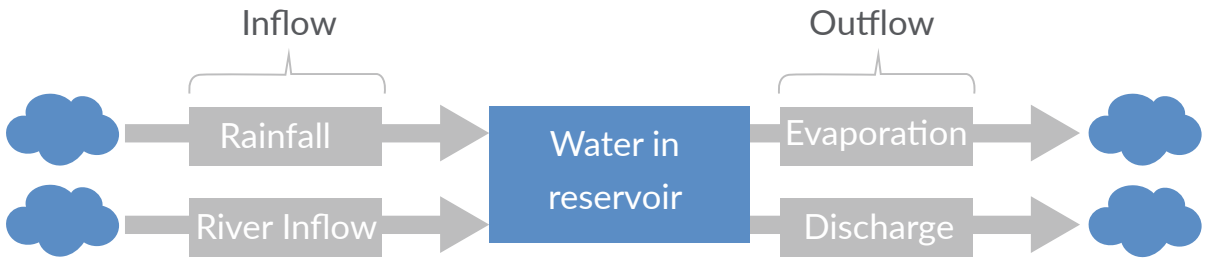
"A change in purpose changes a system profoundly, even if every element and interconnection remains the same."

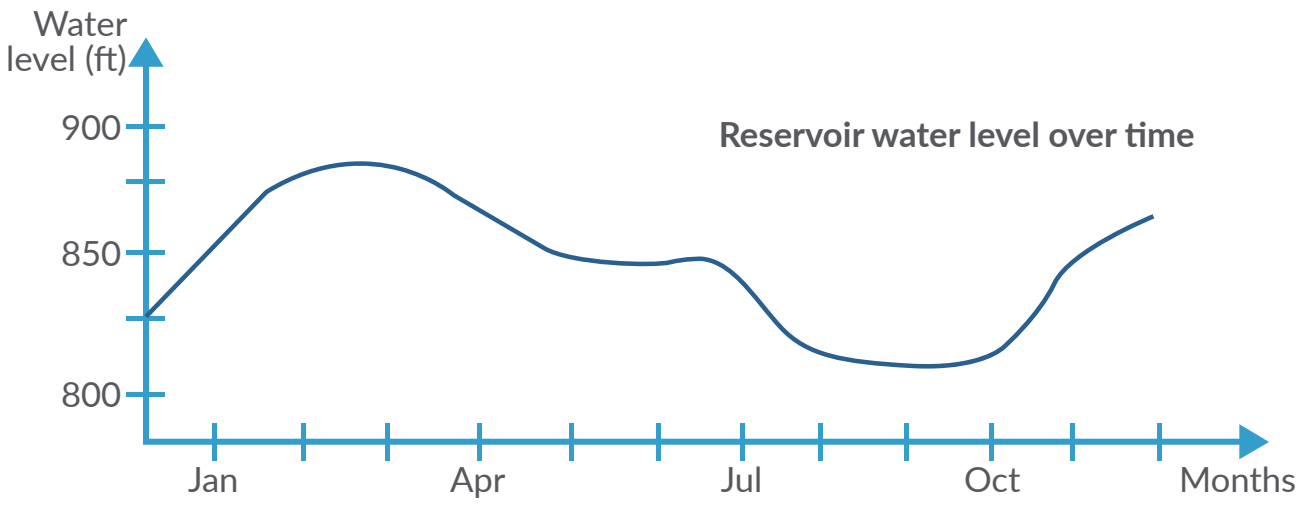
Stocks, Flows and Feedback Loops

Stocks and flows help us to understand how a system behaves.

- A *stock* is an observable or quantifiable aspect of a system, e.g. population size or inventory levels. It can be accumulated or depleted, and thus captures the history of *inflows and outflows* in the system. Stock levels rise when inflow is greater than outflow and vice versa. Stock levels stay constant and achieve dynamic equilibrium when inflow = outflow.

- The best way to understand a system is to (i) map out a *system diagram* and (ii) plot the variables/stocks on a *time graph*. For example, the simple diagram below shows the key factors that affect the water level in a reservoir. When you examine it alongside time-graphs, you can get a better grasp of how each variable affects the water levels.





- Stock levels tend to change gradually, thus providing *stability or momentum* in a system. We use stock levels to make decisions (e.g. offer discounts when there's excess inventory, spend less when the bank balance is low). Remember: flows take time and things can only happen as fast as they happen. To achieve your desired stock levels, you need to take such delays into account.

A **feedback loop** is formed when a change in stock affects the inflow/outflow for that stock, i.e. it triggers a process to increase, decrease or maintain the stock level. When you see a consistent pattern of behavior, there's always a feedback loop at work.

- A *balancing loop* is goal-seeking. For example, a thermostat regulates temperature—it warms up a room if it gets too cold, and cools it down if it gets too hot. Such loops bring stability but also resist change.

- A *reinforcing loop* amplifies an existing effect to trigger a virtuous or vicious cycle. For example, the more people catch a virus the faster it spreads, or the more you save the faster your bank balance grows from the compound interest. Such loops bring exponential growth but can also cause things to spin out of control and collapse.

Systems Behaviors

Just like how animals in the zoo give us a snapshot (but not the full picture) of wildlife, systems diagrams represent a **simplified**

KEY QUOTES

"A stock is the memory of the history of changing flows within the system."

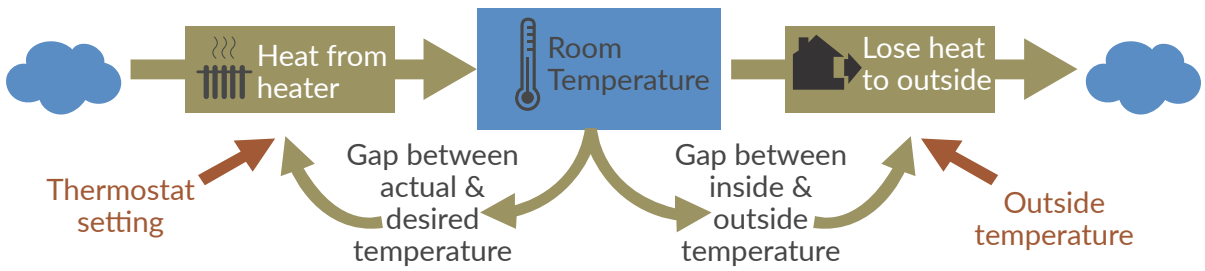
"A stock takes time to change, because flows take time to flow."

"Systems with similar feedback structures produce similar dynamic behaviors."

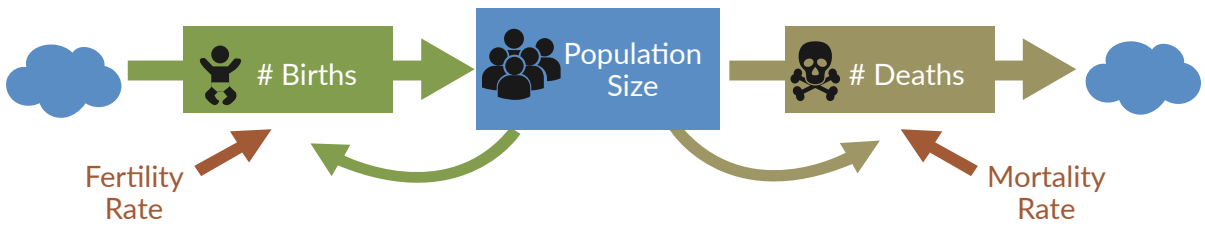
model of the world. Two systems that appear very different can exhibit similar patterns so long as they have similar feedback loops.

A **one-stock system** can have many feedback loops.

- During winter, the room temperature is affected by the thermostat setting (which controls heat released from the heater) and the outside temperature (which affects heat loss). These are *2 conflicting balancing loops* that affect the room temperature. A feedback loop can break down (e.g. if all the windows are opened to cause excessive heat loss).



- A country's population is determined by the nett effect of *a reinforcing loop (# births) and a balancing loop (# deaths)*. These are in turn driven by fertility and mortality rates. It's always easier to predict behavioral patterns than actual numbers, e.g. the exact population size could fluctuate as (i) fertility/ mortality rates change over time, (ii) a feedback loop becomes more dominant, and/or (iii) additional factors emerge (e.g. migration).



- There's always a *time lag* between something happening and the feedback loop registering it and taking corrective action. In balancing loops, a delay in 1 part of the system is likely to lead to oscillation (e.g. delay in product delivery → shop runs out of stock → perceived shortfall → place larger order → overstock). This effect, when combined with imperfect information and multiple feedback loops operating concurrently, can create massive ripples throughout a system.

A **two-stock system** can be much more complex, especially when 1 stock limits another stock, e.g. a mining company's money being limited by the availability of precious metals in the mines.

KEY QUOTES

"Dynamic systems studies usually are not designed to predict what will happen. Rather, they're designed to explore what would happen if a number of driving factors unfold in a range of different ways."

"We can't begin to understand the dynamic behavior of systems unless we know where and how long the delays are."

"Any real physical entity is always surrounded by and exchanging things with its environment."

- No physical entity/system can grow indefinitely—at some point, balancing loops will kick in to *limit growth*, e.g. a company can only grow insofar as it has manpower, customers, materials and resources. The nature of the constraints depend on whether the critical resources for growth are renewable or non-renewable.

- *Non-renewable stocks* are fixed in supply, e.g. once an oil field is depleted, there'll be no more oil. Your rate of extraction is only limited by your capital or resources. However, there's an inherent balancing loop in place: the faster you grow, the faster you'll drain the resources, making it progressively harder to grow until the stock is totally depleted.

- *Renewable stocks* can be living (e.g. fish or grass) or non-living (e.g. sunlight or wind), and can be regenerated through a reinforcing loop or a constant supply. They're limited by flow, i.e. they're inexhaustible so long as they're harvested at a rate slower than their rate of regeneration. However, once they're driven below a critical threshold, they can become non-renewable. For example, in overpopulated waters, fishes' rate of reproduction may improve initially if a slight decrease in fishes leaves more food for the remaining fishes. However, once the population drops beyond a critical point, reproduction plummets and the fish can become a non-renewable resource.

Applying Systems Thinking

3 Characteristics of Effective Systems

Systems thrive with 3 key characteristics: resilience, self-organization and hierarchy.

Resilience in this book refers to elasticity, or the ability to bounce back to the original state after being strained or manipulated.

- Resilient systems are *dynamic*. A system is more resilient when (i) it has multiple feedback loops (so when 1 loop fails, another kicks in) and (ii) there's at least 1 loop that can repair other loops. The most resilient systems are those that can self-organize.

- Unfortunately, resilience is not obvious unless you have a full system perspective. We tend to *sacrifice resilience for stability or productivity*. For example, growth hormones can increase a

KEY QUOTES

"A quantity growing exponentially toward a constraint or limit reaches that limit in a surprisingly short time."

"Nonrenewable resources are stock-limited… Renewable resources are flow-limited."

"Systems need to be managed not only for productivity or stability, they also need to be managed for resilience—the ability to recover from perturbation, the ability to restore or repair themselves."

cow's milk-production but reduces its long-term immunity. Pesticides kill pests, but they also kill off other species to disturb the eco-system's bio-chemistry, reduce its resilience and trigger long-term ecological disasters.

- Look beyond productivity or observable properties to consider how you can *strengthen a system's resilience* and self-regeneration capabilities. For example, instead of simply giving food and money to the needy, develop programs that increase people's ability to generate their own food and money.

Self-organization is the ability to learn, evolve and create new complex systems/structures to survive, rebuild and thrive.

- For example, the human body is developed from a single cell and constantly repairs itself. A company converts raw materials into a much more sophisticated form (e.g. a car or computer).

- Self-organization is spontaneous and unpredictable; it requires freedom and experimentation. However, complex creations are often built upon a few simple rules, like how all lifeforms are captured in a series of DNA, RNA and protein molecules.

Complex systems require **hierarchies** to organize the huge amounts of information/interactions and operate stably.

- For example, each cell in our body is part of an organ, which is a part of a system (e.g. digestive or reproductive system), which is a part of our human body. Each of us in turn is a part of a family, community, nation etc. Ideally, each sub-system should be able to manage itself while serving the needs of a larger system. The larger system in turn should integrate/augment the sub-systems *synergistically*.

- A system is *sub-optimal* when hierarchies don't work in sync. In such cases, imposing centralized control won't work and may even backfire. The only sustainable approach is to understand and address the needs of the sub-systems so the entire system can flourish dynamically. When hierarchies malfunction, the entire system can break down, e.g. when certain cells in the body multiply out of control and attack other cells.

KEY QUOTES

"Productivity and stability are the usual excuses for turning creative human beings into mechanical adjuncts to production processes."

"The ability to self-organize is the strongest form of system resilience. A system that can evolve can survive almost any change, by changing itself."

"Hierarchical systems evolve from the bottom up. The purpose of the upper layers of the hierarchy is to serve the purposes of the lower levels."

"When a subsystem's goals dominate at the expense of the total system's goals, the resulting behavior is called suboptimization."

Thinking in Systems

We tend to get **surprised by systems** because we over-estimate how much we know and under-estimate how complex systems are.

- Real-world systems are complex networks of stocks, flows, and feedback loops. Systems thinking helps us to consider the relationship between system structures, behaviors, and events. By asking what-ifs, we can *consider possible scenarios* so we're less likely to be surprised.

- Yet, in most cases, it's *impossible to accurately predict the future*. For example, there's no way to account for all the variables, relationships and events that affect economic growth or stock market indices. That's why complex modeling may still work for short-term predictions, but not for long-term forecasts.

Watch out for these **thinking gaps**:

- *Linear vs nonlinear relationships*. We tend to think in linear relationships (i.e. assume things run in a straight line) when most relationships are actually non-linear (i.e. there's no proportionate relationship between variables). For example, once vehicle density reaches a certain level, traffic jams get much worse.

- *Imaginary boundaries*. For simplicity, system diagrams use clouds to denote the stocks at the start/end. In reality, there's no finite start or end to a system. For instance, the earlier diagram on population size doesn't address the drivers for mortality/death rates, nor other factors that affect population size e.g. migration. It's unrealistic to try and capture *everything*—the key is to be aware that all system boundaries are imaginary.

- *Multiple constraints*. Every outcome is influenced by multiple factors, but we tend to think in terms of singular cause-effect relationships. Over time, a system's limiting factors (what's most vital for growth) will also change, e.g. a startup faces different constraints as it grows to a mid-sized firm. At some point, you must choose your limits (e.g. the maximum population size to maintain acceptable living standards), or the system will decide it for you (e.g. resource shortages, declining air quality).

KEY QUOTES

"Structure is the key to understanding not just what is happening, but why."

"The world is nonlinear. Trying to make it linear for our mathematical or administrative convenience is not usually a good idea."

"Remember that boundaries are of our own making, and that they can and should be reconsidered for each new discussion, problem, or purpose."

"Ultimately, the choice is not to grow forever but to decide what limits to live within."

- *Pervasive delays*. Things take time to happen, and there're delays in most feedback loops—delays in shipping, perception, processing etc. Mail takes time to reach the recipient and viruses take time to develop into diseases with observable symptoms. If there're long delays in the feedback loop, it'll be too late to take action when the symptoms surface, e.g. if you only start to build power plants when there're electricity shortages, you'll end up with cycles of under-capacity and over-capacity.

- *Bounded rationality*. We make the best possible decisions based on what we know to satisfy a current need. However, we (i) won't have perfect information, (ii) can't see all options, viewpoints or implications, and (iii) will always interpret info subjectively. Thus, a sound decision that meets a personal short-term goal can create long-term problems for ourselves and others. The best way to get a bigger picture is to experience the system from a different position, e.g. an activist going to work for the government body he's been campaigning against. Each shift gives you a wider system perspective to make better decisions.

KEY QUOTES

"To act only when a problem becomes obvious is to miss an important opportunity to solve the problem."

"Change comes first from stepping outside the limited information that can be seen from any single place in the system and getting an overview."

Identifying System Traps and Opportunities

Learn to recognize the "behavior archetypes" or system structures behind common problems, so you can deliberately restructure them to fix the problems at cause.

Resistance to change. Balancing feedback loops can sustain behavioral patterns to make them change-resistant.

- In 1967, the Romanian government tried to increase birth rates by making abortions illegal for women under 45 years old. There was a temporary spike in birth rate, then people turned to illegal abortions or abandoned the children they couldn't afford to raise. So long as the sub-systems have different goals with players pulling in different directions, there'll be *policy resistance*. The harder 1 player pushes an outcome, the harder the other players in the balancing loop will resist.

- A better approach is to step back, identify all the players' goals and how to incentivize them to move in the desired direction. For example, to increase birth rates, you need to know why people aren't having more children. In the 1930s, Sweden's birth rate was declining. Instead of trying to forcibly increase family sizes,

"The most effective way of dealing with policy resistance is to find a way of aligning the various goals of the subsystems, usually by providing an overarching goal that allows all actors to break out of their bounded rationality."

the Swedish government rallied the country behind the *common goal* of improving the quality of child care so every child is wanted and nurtured.

The **"tragedy of the commons"** comes about when a shared stock is eroded or destroyed because people exploit more and more of the stock instead of conserving it.

- Such problems arise in any *common resource* (e.g. public parks, common toilets) where users benefit directly from the stock, but share the cost of stock depletion. For example, a farmer can directly use every tree he cuts down, whereas the costs of deforestation is shared with everyone else. The more users there are, the scarcer the resource and the more people rush to consume it before it's depleted.

- *Solutions* include: (i) educating people on the implications of uncontrolled usage and appeal to their good sense, (ii) privatizing/splitting the resource so people are accountable for their own usage and (iii) using regulations (e.g. taxes, quotas, permits) to limit consumption. Paid parking lots, traffic lights, broadcasting licenses etc. are all examples of ways to manage the commons.

Systems may experience **sliding standards** or a "drift to low performance" if (i) the players perceive things to be worse than they are, and (ii) such perceptions affect their future targets.

- For example, you may accept lower-than-desired air quality because it doesn't seem any worse than before. The new (lower) standard becomes the norm and the *negative loop* continues.

- *Solutions* include: (i) sticking to absolute goals (vs being influenced by past/existing performance) or (ii) benchmarking only against the best historical performance.

Escalation arises when competing players try to outdo one another in a reinforcing loop, e.g. price war, shouting match, weapons race.

- Even escalation for positive things (e.g. efficiency, morality) can become negative when taken to the extreme. If left unchecked, it usually ends up with at least 1 of the players *collapsing*.

KEY QUOTES

"The tragedy of the commons arises from missing (or too long delayed) feedback from the resource to the growth of the users of that resource."

"Standards aren't absolute. When perceived performance slips, the goal is allowed to slip."

- *Solutions* include: (i) one party taking the first steps to unilaterally reduce the stocks (and stop the reinforcing loop) or (ii) negotiating balancing loops that can keep escalations in check.

Widening winner-loser gaps occur when winners get rewarded with resources that help them to win even bigger in future. This creates a reinforcing loop that could eliminate losers from the system, e.g. the rich using their wealth and access to gain even more wealth and access.

- *Solutions* include: (i) Diversification (e.g. a company moving to a new niche to exploit new resources), (ii) adding balancing loops to prevent domination (e.g. antitrust laws) or equalize the playing field (e.g. handicaps for weaker players), and (iii) finding ways to break the reinforcing loop (e.g. progressive taxes, public welfare).

Addictions. Just like how people can get addicted to alcohol or drugs, players in a system can get addicted to a solution that eases problem symptoms without addressing the root causes.

- Such interventions are usually introduced to boost a stock. However, if the root cause isn't addressed, problems will resurface and demand an even bigger fix. Worse still, the intervention could cause a *degeneration of the original system capabilities*, and shift the burden increasingly to the intervener. For example, kids' reliance on calculators can reduce their capacity for mental arithmetic, and the use of pesticides can destroy the pests' natural predators so farmers need to use even more pesticides.

- *Solutions* include: (i) withdrawing from the addiction (gradually or going cold-turkey), or (ii) avoiding it from the onset by strengthening the system's abilities instead of taking on its burdens.

In any system, there'll be people trying to **break the rules**, i.e. they seem to be following the rules but are actually working around them, e.g. drivers keeping to the speed limit only when there're speed cameras or police cars. Use rule-beating as a form of feedback to refine the rules, or design rules that specifically incentivize people to self-organize in the desired way.

KEY QUOTES

"Addiction is finding a quick and dirty solution to the symptom of the problem, which prevents or distracts one from the harder and longerterm task of solving the real problem."

"The secret is to begin not with a heroic takeover, but with a series of questions."

"Wherever there are rules, there is likely to be rule beating."

"Systems…have a terrible tendency to produce exactly and only what you ask them to produce. Be careful what you ask them to produce."

Systems will deliver whatever they're designed to deliver—if you **set the wrong goals**, you'll get disastrous outcomes. For example, an education system will deliver vastly different outcomes depending on whether you measure "good education" using expenditure or test results. Don't confuse efforts with results.

Creating Effective System Changes

The best way to **change a system** is to (i) identify the leverage points where a tiny shift could trigger a large change in behavior, then (ii) figure out the right direction to push. This is a difficult process that requires hard work and an open mind (to explore new ideas and options).

Use these **leverage points in order of impact**:

- Every system or society comes with its own *paradigm*, i.e. a set of unspoken assumptions and beliefs (about what's good, right, fair, etc.). Paradigm shifts can be achieved in any system with the right reinforcements and change agents. However, the ultimate leverage comes from *transcending* paradigms, i.e. realizing that there's no single "right" or "true" paradigm.

- A system's *goals* define its behaviors. Most systems (including cancer cells) seek to survive and grow. The key is to deliberately choose how far to grow and to what end, so we prevent 1 system's unchecked growth from destroying others.

- Increase a system's *self-organization* abilities so it can change dynamically. The best way to do so is to promote learning and evolution through diversity and experimentation.

- Use *rules*—including rewards, penalties and constraints—to directly shape behavior.

- Typically, system players will organize themselves with the right info. Design *information flows* to incentivize players to act in the desired way, e.g. show the increasing cost per unit to discourage people from consuming too much of a limited resource.

- Build in checks and balances to curb the momentum of *reinforcing feedback loops* to prevent long-term system collapse.

KEY QUOTES

"There are no cheap tickets to mastery. You have to work hard at it."

"If no paradigm is right, you can choose whatever one will help to achieve your purpose. If you have no idea where to get a purpose, you can listen to the universe."

"Missing information flows is one of the most common causes of system malfunction."

- A complex system comes with many *balancing feedback loops*, each designed to maintain a sub-goal and jointly define the overall system strength. Ensure that each balancing loop is strong enough relative to the impact it's designed to achieve, e.g. governments can only manage big industry players if they have enough power. Be careful when removing balancing loops e.g. an emergency cooling system may seem unimportant since it's usually inactive, yet its removal will weaken the system.

- Adjust the *length of delays* in feedback loops (where possible) to influence system behaviors and the level of oscillations.

- A system's behaviors are determined by the *structure* of stocks, flows and their interconnection. Your best leverage is to design a great system from the onset, since it's hard to change a system once it's built. You can only improve existing systems by addressing the bottlenecks and limiting factors.

- Build stocks that are big relative to the flows, so they can act as a *buffer* to stabilize the system, e.g. a lake is much less likely to overflow than a bathtub.

- *Numbers* seldom result in real change (e.g. tweaking minimum wages or tax rates won't restructure the economy), unless the change is big enough to trigger other leverage points above.

Conclusion

Ultimately, it's impossible to fully understand dynamic, self-organizing, nonlinear systems, much less predict or control them. The real value of systems thinking is in helping us to understand the complexity of the world we live in, so we can manage our expectations, learn from surprises, and actively design/refine systems and find creative ways to bring our visions to life.

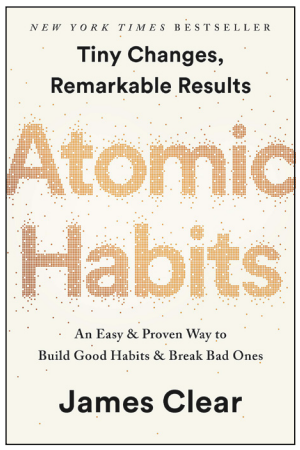
The book is packed with examples and diagrams (ranging from business to sociology and economics) to help us understand systems at work. Meadows also presents several rules of thumb to help us navigate more effectively in a world of systems. For more details, please visit academyforchange.org.

KEY QUOTES

"The only way to fix a system that is laid out poorly is to rebuild it, if you can."

"The future can't be predicted, but it can be envisioned and brought lovingly into being."

"The thing to do, when you don't know, is not to bluff and not to freeze, but to learn."



ATOMIC HABITS

An Easy & Proven Way to
Build Good Habits and Break Bad Ones

JAMES CLEAR

The Big "So What"

To achieve greater success in any field, we must break bad habits and build good ones. In this book, James Clear draws on insights from cognitive and behavioral sciences to provide a powerful step-by-step plan that can help you to create better habits in any area of life.

Atomic Habits: The Power of 1% Gains

Why Atomic Habits Matter

Atomic habits are **tiny routines and behaviors** that build on one another to multiply outcomes over time. We tend to prioritize big breakthroughs over tiny improvements. However, it's those small daily decisions and actions that really matter.

- If you improve by 1% a day, you don't just become 365% (or 3.7x) better in 1 year. Because of the *compounding effect*, you actually become 37x better. The reverse is also true if you slide by 1% per day. Thus, regardless of where you are now, your habits define your trajectory and future outcomes (for better or worse).

- For more than 100 years since 1908, British Cycling had nominal international success. In 2003, Dave Brailsford became its Performance Director. He transformed the team's results through a program of *1% changes*—from redesigning bike/racing suits to experimenting with massage gels and mattresses/pillows for sleep-improvement. The British team won 60% of all available gold medals at the 2008 Beijing

KEY QUOTES

"With the same habits, you'll end up with the same results. But with better habits, anything is possible."

"Changes that seem small and unimportant…will compound into remarkable results if you're willing to stick with them."

"Habits are the compound interest of self-improvement."

"Success is the product of daily habits—not once-in-a-lifetime transformations."

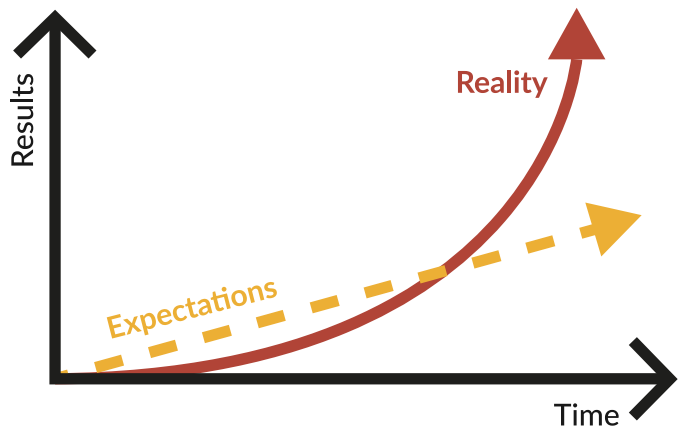
Olympics, then went on to set 9 Olympic records and 7 world records at the 2012 London games. From 2007-2017, they won 178 world championships and 66 Olympic/Paralympic gold medals, achieving one of the most successful runs in cycling history. All these came from incremental 1% changes.

Tapping on the Compound Effect

Habits are hard to change partially because they take a long time to deliver visible results. For example, you won't become a millionaire after saving money for 6 months and you'll still be out of shape after going to the gym for 3 days. Often, we make a few changes, fail to see results and quickly slide back into our old routines.

For maximum positive compounding, you must stick to your daily actions and habits long enough to cross the Plateau of Latent Potential.

- An ice cube sitting on a table looks the same as the temperature rises from 25 to 31 degrees Fahrenheit. But at 32 degrees, you suddenly see visible signs of the ice melting. Likewise, bamboo can shoot up 90 feet in 6 weeks after quietly developing roots underground for 5 years.



- It's the same with good habits: you may not see results for some time, then one day you suddenly start to see exponential growth. The key is to keep going until you reach that tipping point.

KEY QUOTES

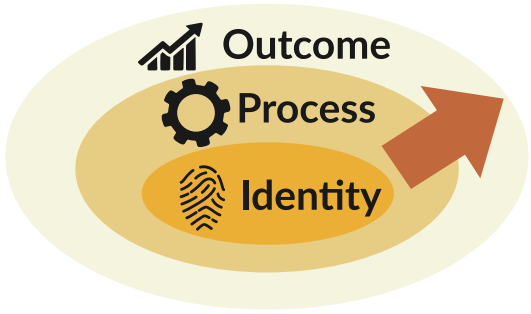
"Once your habits are established, they seem to stick around forever – especially the unwanted ones."

"We expect progress to be linear and quick. In reality it can take months or years to realize the value of our previous work."

"It's a hallmark of any compounding process: the most powerful outcomes are delayed."

Effecting Behaviour Change at 3 Levels

There are 3 key levels of change: Outcome, Process and Identity. While all 3 are important, the best way to change your habits is from the inside out, i.e. focus on the person you wish to become rather than the outcomes you want to achieve.



Focusing on outcomes or goals alone (e.g. target weight, grades or business profits) won't guarantee success and may even create problems.

- *Goals can reduce happiness* because if we don't reach the target, we'll think that we've failed even if we've made a lot of progress.

- When we achieve our goals, we tend to relax and break our good habits, creating a "*yo-yo effect*" that hurts long-term progress.

- When we focus on outcomes, we also tend to address the *symptoms instead of the causes*. For example, you can clean up a messy room, but it'll become messy again quickly if you don't change your habits.

Long-term change must be sustained at the **systems level**. With the right systems in place, the results will take of themselves. Specifically, habits are formed and reinforced via a constant feedback loop: Cue → Craving → Response → Reward. The key to habits transformation is to create a system that consistently improves this feedback loop (elaborated in the next section).

The most powerful source of habitual change is at the **identity level**.

- *Your identity and habits reinforce each other*. Your sense of identity shapes what you do, which in turn reinforces how you see yourself. Someone who's rejecting a cigarette as a goal may say, "No thanks I'm trying to quit" while someone who's rejecting it as part of his identity may say, "No thanks I'm not a smoker."

KEY QUOTES

"Fix the inputs and outputs will fix themselves."

"Building habits in the present allows you to do more of what you want in the future."

"It's not about any single accomplishment. It is about the cycle of endless refinement and continuous improvement."

"Your habits shape your identity, and your identity shapes your habits."

- You may start a habit due to short-term motivation, but you'll only stick to it if it becomes a part of who you are. Don't just read a book or have a reading routine; *become* a reader. Don't just run a marathon or work out regularly; *become* a runner. To fulfill your potential, keep *expanding and elevating your identity*. Change your habits (*what* you do) to shape your identity (*who* you are).

The Habit Loop: 4-Steps to Building Better Habits

Habits are mental shortcuts to help us solve problems, i.e. to get something we want or avoid something we don't want. Specifically, there are **4 parts to habits-formation**: The *cue* (e.g. phone buzzing when a message comes in) sparks a *craving* (e.g. the desire to know what's in the message), which triggers a *response* (e.g. you grab the phone and read the message), which brings a *reward* (e.g. you know what's in the message). Over time, the brain links the cue with the reward, so you automatically reach for the phone once it buzzes. The loop is complete and the habit is formed.

Using the habit loop, Clear presents **4 simple laws** to build good habits and break bad ones.

Building Good Habits	Breaking Bad Habits
1. Make it obvious	1. Make it invisible
2. Make it attractive	2. Make it unattractive
3. Make it easy	3. Make it hard
4. Make it satisfying	4. Make it unsatisfying

Law #1: Make the Cue More Visible

Habits become automatic when our brains pick up cues and predict certain rewards without conscious thought. To start a new habit, make your cues more obvious.

KEY QUOTES

"Becoming the best version of yourself requires you to continuously edit your beliefs, and to upgrade and expand your identity."

"Without the first three steps, a behavior will not occur. Without all four, a behavior will not be repeated."

"Behaviors followed by satisfying consequences tend to be repeated and those that produce unpleasant consequences are less likely to be repeated."
—Edward Thorndike

"Until you make the unconscious conscious, it will direct your life and you will call it fate."
— Carl Jung

To change your habits, you must first become aware of them. Use a **habits scorecard** to list down all your daily behaviors, from the time you wake up till the time you go to bed. Mark each habit as positive, negative, or neutral based on whether it helps you to become the person you aspire to be.

Use the 2 most common cues—time and location—to implement your goals. Explicitly state your **intention to act** using this formula: "I will [do this] at [this time] in [this location]". For example, "I will meditate for 10 mins daily at 6am in the study".

Stack your habits by tying a desired habit to an existing habit using this formula: "After [an existing habit], I will [do this new habit]". For example, "after I finish my tea each morning, I will meditate for 10 min".

- You can stack multiple habits, e.g. after finishing your tea, you'll meditate for 10 min, after which you'll plan your daily tasks, after which you'll start doing the top task. This creates a *chain of habits* that you're more likely to sustain.

- It's vital to *choose the right cue* as the trigger. It should be (i) something that you do without fail, (ii) has the same frequency as the new habit you're trying to build, and (iii) is very specific (e.g. when you step out of bed or brush your teeth).

Design your environment to shape your behavior. Our environment influences our behaviors more than our willpower/motivation, e.g. shoppers tend to buy items that are placed at eye level and within easy reach.

- To *create a habit*, redesign your work/home to (i) make the cues for the desired habits more visible and (ii) make the cues for bad habits invisible. For example, if you want to encourage your employees to drink more water, hide the soda in the fridge and place water everywhere in the office and café.

- Consider your *relationship* with the objects in your environment, e.g. if the couch is your spot for relaxing while watching TV, it'll be hard to start a work-related habit there. Link your habits to the environment and have unique locations for different habits (e.g. work, relaxation, relationships).

KEY QUOTES

"Habit stacking allows you to create a set of simple rules that guide your future behavior."

"Environment is the invisible hand that shapes human behavior."

"A stable environment where everything has a place and a purpose is an environment where habits can easily form."

Once a habit is formed, it's hard to forget. Once you're exposed to the cue, you tend to fall into the habit. Hence, the best way to **break a bad habit** is not through self-control, but by removing temptation. Reduce your exposure to the cues that trigger those bad habits, e.g. if your phone is distracting you from work, put it in a different room.

Law #2: Make the Habit Attractive

We take action only when we expect it to produce a reward. The more rewarding the action, the more we'll repeat it, until it becomes a habit that we do automatically or subconsciously. Thus, to form good habits, we need to make them more attractive.

Dopamine is a hormone and neurotransmitter which affects our motivation levels. When dopamine levels rise, we feel more motivated to take action.

- Human beings are programmed to respond to certain inbuilt motives e.g. conserving energy, getting food/water, feeling loved/connected/accepted, reproduce etc. A craving is merely an expression of such *underlying motives*; the goal is never in the action itself, but to change an inner state. People smoke to relieve stress, and spend hours on social media to feel connected.

- Dopamine is released not only when we experience pleasure, but also when we *expect* it. Habits are so powerful because the cue is enough to trigger an *anticipation of a reward* and hence motivate you to act. If you're addicted to smoking or gambling, you'll experience a spike in dopamine levels *before* you even light that cigarette or place your bet, which prompts you to take action.

Temptation bundling increases a habit's attractiveness by pairing an action we *need* to do with one that we *want* to do. For example, only allow yourself to watch reality TV (what you *want* to do) when you're working out at the gym (what you *need* to do). Alternatively, you can combine temptation bundling with habit stacking, e.g. you'll watch 30 min of reality TV (the habit you *want*) after 30 mins of gym workout (the habit you *need*).

KEY QUOTES

"This is the secret to self-control. Make the cues of your good habits obvious and the cues of your bad habits invisible."

"We need to make our habits attractive because it is the expectation of a rewarding experience that motivates us to act in the first place."

"When you binge-eat or light up or browse social media, what you really want is not a potato chip or a cigarette or a bunch of likes. What you really want is to feel different."

"It is the anticipation of a reward—not the fulfillment of it—that gets us to take action."

Our behaviors are strongly influenced by our **community**. Every human being has an innate need to belong and we tend to imitate the habits of 3 groups of people:

- *People close to us* (e.g. family, friends, colleagues). Habits that're common in our culture will seem more attractive and achievable.

- *The masses*. We'd rather change our habits to fit in with our tribe or the masses, than challenge them by doing something different.

- *Those with power and status*. We copy the behaviors of successful people in hope of gaining approval and respect.

To build better habits, join a culture where your desired behavior is the norm. It'd be even better if you share something in common with that group, e.g. an interest in reading or fitness. When you develop a shared identity ("We're readers" or "We're runners"), it reinforces your personal identity to facilitate long-term change.

In short, the key to building a good habit is to create the belief that an action is worth repeating. **Associate good habits with positive feelings** instead of negatives, e.g. saving money means financial freedom (not sacrifices), exercising means better health/fitness (not exhaustion). Or, do something enjoyable and motivating before tackling a difficult habit.

On the other hand, if you want to **break a bad habit**, play up the negatives and bad feelings to make the habit unattractive.

Law #3: Make the Steps Easy

To more you practice something, the better you become at it and the easier it seems. The best way to build a habit is to practice it, and the best way to start practicing is to make it easy.

We tend to spend so much time and energy trying to figure out the best way to do something that we never get around to taking action, i.e. we end up with **analysis paralysis**. Thinking, researching and planning may *feel* like progress, but real learning and progress comes from actively *doing* something.

KEY QUOTES

"Surround yourself with people who have the habits you want to have yourself. You'll rise together."

"Habits are all about associations."

"Habit formation is the process by which a behavior becomes progressively more automatic through repetition."

"If you want to master a habit, the key is to start with repetition, not perfection."

The **law of least effort** says that we're programmed to conserve energy and will gravitate toward options that're the least effortful.

- When you first try something, it requires a lot of effort. Over time, it *becomes easier* and eventually automatic.

- Habit formation depends more on the *frequency* with which you perform the action than how much time has passed. To master a habit, you need to repeat it so many times that it becomes automatic, i.e. you've built both muscle memory and brain memory to make the behavior effortless.

Design your tasks and environment to **reduce friction**, i.e. make the actions as easy to do as possible.

- The *less energy* required by a habit, the more likely it'll occur. You're much more likely to start and continue 1 push-up a day (which requires almost no effort) than to do 100 push-ups per day (which requires massive effort).

- Fit the desired habits into the *existing flow of your life*, e.g. you're more likely to go to a gym that's located on the way to office than one that requires a big detour.

- You can also automate or *set up your environment* to reduce friction for future action, e.g. lay out your workout clothes at night to make it easier to start your morning exercises.

In any day, there're a few **decisive moments** that shape the trajectory of your actions/habits. For example, whether you decide to bike or drive to work affects your commute/activities for the day; whether you change to your workout clothes or pajamas decide what you do thereafter. Master those key moments.

Use the "**2-minute rule**" to develop mini habits that lead to bigger ones.

- Identify a *simple, 2-minute version* of your desired habit. To run a marathon, the mini habit could be to change into your workout clothes. To master the piano, the first step could be to play the piano for 2 minutes a day.

KEY QUOTES

"Trying to pump up your motivation to stick with a hard habit is like trying to force water through a bent hose."

"Redesign your life so the actions that matter most are also the actions that are easiest to do."

"Each day is made up of many moments, but it is really a few habitual choices that determine the path you take."

"The feeling of success is a signal that your habit paid off and that the work was worth the effort."

- You must *establish a habit* before you improve it. Use the 2-minute rule to get into the habit of showing up and to nurture your desired identity. Once you've mastered the 2-minute habit (i.e. consistently changing into your workout clothes), you can progressively move on to *subsequent phases*, e.g. walk for 10 minutes → walk 10,000 steps → run 5km → run a marathon.

Do the reverse for bad habits, e.g. unplug the TV and remove the batteries from the remote control so it's hard to watch TV.

- You can use a "*commitment device*" e.g. buying food in small packs so it's inconvenient to overeat, or leaving your wallet at home to reduce spending.

- Ideally, take *one-time actions* that make the bad habits almost impossible, e.g. replace all your big plates with small ones so you'll eat less, or set up an automatic bank transfer for your savings plan.

Law #4: Create Instant Satisfaction

Laws #1-3 motivate you to take action once. Law #4 closes the habit loop to decide if you'll *repeat* the action. Basically, actions that deliver instant rewards will be repeated; those that deliver instant punishments will be avoided.

Logically, most of us know the value of delayed gratification. Yet, our brain naturally seeks **instant gratification**—it attaches a higher value to a definite reward *now* over a possible reward in the *future*.

- Bad habits (e.g. smoking, over-eating, unsafe sex) persist because the *immediate outcomes* feel good, whereas good habits are hard to form because the immediate outcomes feel bad (e.g. giving up chocolate for a salad).

- Businesses play on this need for *instant gratification*. The minty flavors in toothpaste are added not to make your teeth cleaner, but to make your mouth *feel* clean and fresh, thus giving you a satisfying experience when you brush your teeth.

KEY QUOTES

"The greater the friction, the less likely the habit."

"The best way to break a bad habit is to make it impractical to do. Increase the friction until you don't even have the option to act."

"Pleasure teaches your brain that a behavior is worth remembering and repeating."

"We all want better lives for our future selves. However, when the moment of decision arrives, instant gratification usually wins."

Use this tendency to your advantage by **giving yourself an immediate reward** whenever (i) you complete a good habit or (ii) avoid a bad habit. For example, when you pass on a milkshake, transfer $5 to your account for holiday savings. In short, ensure the desired action ends off with a satisfying experience that's aligned with your desired identity.

To motivate yourself to take action daily, use a **habit tracker**.

- Make your progress *more visible and satisfying*, e.g. mark on a calendar each time you complete your desired habits. This (i) acts as a visual cue to trigger repeat action, (ii) creates satisfaction each time you complete the habit, and (iii) shows the progress you've made.

- Don't break the *chain of continuity*. Never miss twice, as that's the start of a bad habit. It's much better to do 5 push-ups on a bad day (instead of your usual 20) than to miss it altogether.

To **break bad habits**, make them instantly unsatisfying or painful. Write a habit contract (a verbal/written commitment to a habit and how you'll be punished if you violate them) and get a partner who'll hold you accountable to it. Since we want others to like and respect us, this will add a social cost to make our habit failures more painful.

KEY QUOTES

"The mere act of tracking a behavior can spark the urge to change it."

"The first mistake is never the one that ruins you. It is the spiral of repeated mistakes that follows."

"Knowing that someone is watching is a powerful motivator."

Becoming Exceptional

Align Habits with Talents, Interests and Context

We're all born with different genes and abilities. These don't predetermine our successes/failures, but they do influence **what we're most suited to do**. For example, people with longer bodies tend to be better swimmers than runners; someone who's very tall may have an advantage in basketball but not in gymnastics.

When you **align your habits** with your natural abilities and your environmental context, you'll improve much faster. On the other hand, when you try to build habits that go against your

"Genes do not determine your destiny. They determine your areas of opportunity."

"Habits are easier to perform, and more satisfying to stick with, when they align with your natural inclinations and abilities."

personality, interests and abilities, you'll struggle. So, if you prefer rock-climbing to running, then build exercise habits around the former.

Explore various options and gradually narrow down to the areas that fit your natural strengths and inclinations. Tasks that fit your strengths are likely to (i) be enjoyable for you but not others, (ii) get you in flow (i.e. you're so immersed in it you lose track of time), (iii) give you higher-than-average returns, and (iv) feel natural and energizing for you. When you specialize in your areas of strengths, it'll be hard for others to compete with you.

Stay Motivated

How do some people stick to their habits when others give up? **The Goldilocks Rule** says that our motivation peaks when we work on tasks that're just at the edge of our abilities, i.e. they're not too difficult nor too easy.

- If you play tennis with a young child, you'll get bored. If you played against Serena Williams or Roger Federer, you'll feel demotivated since it's too challenging.

- It's a delicate balance between (i) constantly challenging yourself and (ii) making enough small improvements to stay motivated. Make it easy at the start (Law #3), then push yourself progressively to the next level, scoring a few wins along the way so you can see the progress and feel inspired to repeat the cycle.

Act in spite of boredom. *Everyone* experiences boredom and a lack of motivation; the difference between people who succeed and those who fail is this—successful people keep working in spite of it.

- Mastery takes practice, but repetitive practice can become boring. When we're bored, we *abandon old strategies* (which are still working) to try new but unproven strategies, thus jeopardizing our own success.

- Slot machines and video games are so habit-forming because they provide a constant stream of novelty and surprises.

KEY QUOTES

"The human brain loves a challenge, but only if it is within an optimal zone of difficulty."

"Professionals stick to the schedule; amateurs let life get in the way."

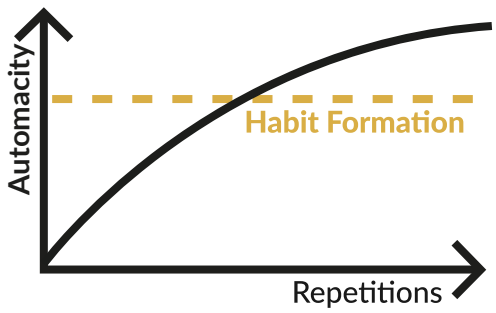
"The only way to become excellent is to be endlessly fascinated by doing the same thing over and over. You have to fall in love with boredom."

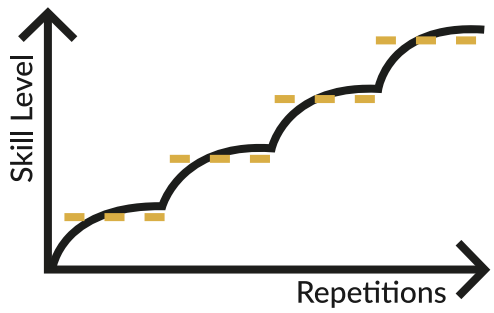
Use *variable rewards* to keep your routines fresh—vary the type and pace of your rewards to maximum dopamine levels, memory trigger/recall, and speed up habit formation. A good mix of successes and failures also keeps complacency at bay.

Manage the Downside of Good Habits

Habits can be a **double-edged sword**. Once you master something, you can do it automatically without thinking, but you also stop trying to improve it consciously. In fact, research shows that once we've mastered a skill, our performance tends to slide over time.

To **attain mastery**, we must combine habits with deliberate practice. Zoom in on the smallest success ingredient, practice it until you've internalized the skill, then build the next ingredient upon this foundation. For 18 years, comedian Steve Martin worked on gradual improvements to his routine. Each week, he focused on adding 1-2 minutes of new material, then practicing, experimenting and refining his approach to achieve his eventual level of mastery.





Establish a **system of review and reflection**, so you know if you're improving, plateauing, or declining.

- Elite athletes make daily *records* of their workouts, training performance, diet and rest. Comedian Chris Rock tests new material with small audiences, makes notes on which jokes work (or don't), and selects only the best lines for his show.

- Do *regular reviews* (say, quarterly or annually) to honestly assess if you should upgrade your habits, take on new challenges, or redirect your focus/efforts. You can evaluate your progress in terms of:

  (i) Your habits/activities, e.g. what went well, what didn't go well and what you've learned.

KEY QUOTES

"Mastery is the process of narrowing your focus to a tiny element of success, repeating it until you have internalized the skill, and then using this new habit as the foundation to advance to the next frontier of your development."

"Habits create the foundation for mastery."

"Sustaining an effort is the most important thing for any enterprise. The way to be successful is to learn how to do things right, then do them the same way every time."
—NBA coach, Pat Riley

(ii) Your self-identity, i.e. whether you're becoming the person you wish to become. Evaluate the core values driving your life/work, whether you've been living with integrity and how you could set higher standards for yourself.

Initially, a desired identity can help us to build a habit. However, **your identity can also restrain your growth**.

- *Pride* associated with an identity can prevent us from facing our shortcomings, e.g. a teacher may stick with tried-and-tested teaching methods instead of trying new approaches, or a surgeon may dismiss ideas from younger colleagues.

- When you identify too much with 1 aspect of your life, it could bring an *identity crisis* when that thing is removed, e.g. when a vegan changes his diet, when a solder leaves military service, or when an entrepreneur sells his business.

- *The solution*: Don't allow any single aspect of your desired identity to define who you are, so you can redefine yourself when your circumstances change. Keep reviewing your performance and habits to develop self-awareness and ensure your habits continue to serve you.

Conclusion

- The holy grail of habit change is not a single 1% improvement, but a thousand of them. Initially, small habitual improvements may not deliver a noticeable difference. However, if you keep layering small changes on top of each another, **the results add up** and you'll eventually reach a tipping point where it's much easier to stick with your good habits. Whatever your goals and circumstances, so long as you commit to building 1 atomic habit at a time, you will achieve extraordinary results.

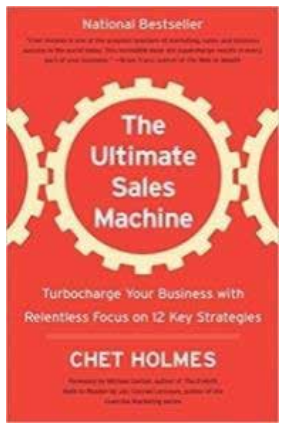
- The book also includes **other details** such as (i) Clear's personal journey/experience with atomic habits and (ii) many true stories of people (from artists to business leaders) who achieved mastery and success using atomic habits.

KEY QUOTES

"When you cling too tightly to one identity, you become brittle. Lose that one thing and you lose yourself."

"A lack of self-awareness is poison. Reflection and review is the antidote."

"Success is not a goal to reach or a finish line to cross. It is a system to improve, an endless process to refine."



THE ULTIMATE SALES MACHINE

Turbocharge Your Business
With Relentless Focus On 12 Key Strategies

CHET HOLMES

The Big "So What"

To succeed in business, you must master 3 vital areas: management, marketing and sales. This book breaks down exactly how to do that with 12 proven strategies which Holmes has used to build various businesses and to train business owners and employees. These tips are useful for anyone involved in sales, marketing or operating a business/team.

Introduction

Ideas alone, no matter how good, are useless if they're not implemented. To master something, you must practice the same thing consistently until it becomes second-nature to you. To build the Ultimate Sales Machine, you must apply the 12 strategies in this book with "pigheaded discipline", honing and perfecting them until they become an integral part of how your organization operates.

The book is organized into 12 chapters on time management, training, meetings, talent management, strategy, marketing, sales, ideal buyers, presentations, closing skills, follow-ups, and implementation. By mastering all of these areas, you can ensure the success of any business.

In this summary, we've organized the inter-related strategies and tips into 4 key parts: Management, Marketing, Sales, and Operating your Ultimate Sales Machine.

Part 1: Management

Every company has finite resources. To build an effective

KEY QUOTES

"The promise of this book is that you will learn how to create mastery in your business resulting in the finest, most profitable, and best-run business you can have."

"Mastery is not about being special or more gifted…Mastery is a direct result of pigheaded discipline and determination."

"It is the same with any business; there are basics that you can do over and over again until every aspect runs like a machine."

organization, you must gain control of your time, maximize your productivity, and help your team to do the same.

Improve Productivity with Key Impact Areas

Rather than react to issues as they surface, gain control of your time by managing key "impact areas".

Identify your key impact areas, i.e. areas that directly affect the bottomline, e.g. customer service, inventory control, external sales, internal telemarketing, technology, partner relations. The number of impact areas will depend on the size and nature of your business.

Set aside 1-hour weekly for focused meetings to **improve each impact area,** with the goal of making incremental improvements that add up to massive progress.

Instead of spending 70-80 hours a week tackling ad-hoc issues, you can now spend several hours focused on upgrading the key aspects of your business, thus **multiplying your impact with less time.** To do this, you must say "no" to ad-hoc requests and insist on focusing your time only on vital issues in your weekly meetings.

Improve Productivity with Great Time Management

These 6 steps can be done in just 5 minutes—apply them in your whole organization to significantly increase your productivity.

Touch it once. Only touch something if you're prepared to act on it, so you don't waste time revisiting issues or rereading material. Insist that your staff use specific and descriptive titles for their emails and update the titles as the content changes—that way, you can choose to only open emails that you can deal with immediately.

Make daily lists of your **6 most important tasks,** and make sure you finish them. This is better than having a long list of items and feeling bad about not completing them.

Allocate time to each task in advance, to ensure you can complete all 6 tasks. Ideally, you should spend about 6 hours

KEY QUOTES

"Good time management shouldn't take a lot of time."

"Email is there for your convenience. If it's not convenient, don't answer it."

for the 6 tasks; if a task requires too much time, break it down into smaller parts.

Plan your day: **assign specific time slots** for each task and stick to it.

Prioritize the most important and difficult projects first in your schedule, so you have enough time and energy for them.

- If you're a *salesperson or 1-man team*, make sure you spend at least 2.5 hours a day growing your business.

- Even if you're in a *"reactive" role* like a receptionist or personal assistant, you can still dedicate time daily to improve the company rather than wait passively for instructions.

About 80% of our files and stored information is never used again. Ask yourself "will it hurt me to throw this away?" and **remove what you don't need.**

Reprogram your Organization with Effective Training

Your training system is robust only if (a) all your staff define "great performance" the same way and can perform their jobs consistently well, and (b) all your clients receive a similar experience.

Unfortunately, 90% of people won't actively seek to improve themselves unless it's a job requirement. To ensure your team performs well and constantly improves, **make continuing education mandatory.**

Use these tips to **make your training effective:**

- Design *regular programs* to (a) train new employees, (b) upgrade the skills/effectiveness of existing employees, (c) provide professional development, and (d) solve problems.

- *Prepare people in advance*, by letting them know what to expect (training duration, objective, takeaways etc).

- Use a *blend of methods* (e.g. lectures, discussions, role-plays, quizzes, demos, case studies). Keep it fun and stimulating so people will look forward to it and retain the learning.

KEY QUOTES

"Master these six steps and you won't believe the difference. Implement them companywide and you will be operating at maximum productivity before you know it."

- It's better to teach a few items and reinforce it with practice/ application, than to teach a lot of new things each time. Use regular training to *reinforce the same skills and information repeatedly* until it is permanent.

Use "Workshop Meetings" to Improve your Company

To grow a large company, you must be able to hire 50 new people in a week and help them perform at their peak quickly. Structured workshop-style meetings are one of the best ways to concurrently train people and improve your business.

During workshops, you work with your staff to **jointly develop ideas to improve your business,** rather than give instructions on what to do. This provides a platform for people to solve problems, improve outcomes and deliver a shared vision.

To run effective workshops:

- *Run workshops weekly.* Each workshop should have up to 30 people and focus on 1 small part of the business. For large companies, hold separate weekly workshops for each department.

- *Define a key challenge* to solve at each workshop. You can get participants to brainstorm key challenges, giving them 3 minutes to list down 3 areas to be improved in the company/ department, then get everyone to share their ideas on a whiteboard. A good topic is: "What else can we offer the buyer at the point of sale?"

- Next, *prioritize the list of issues*. Give the participants 30 seconds to write to down their top 3 choices in order of priority, then add up the scores to identify the top 5 issues.

- Tackle each issue in a separate workshop. After each session, *summarize the solutions* in 1-2 page memos (e.g. "9 ways to handle an angry customer", "7 ways to improve product consistency"). Compile them and use them as training manuals.

- Test and refine the procedures over time, removing ineffective solutions and finalizing the proven ones as your standing *policies*.

KEY QUOTES

"No one gets good at anything without repetition."

Use these 10 steps to **implement a new policy effectively:**

- To get buy-in and motivate learning, you must *get people to feel the pain*. Get people to discuss and vote for their top 3 problems. Then, ask questions like, "what if you could put in extra work now but remove most of these issues?" Amplify the pain with questions like "what are the drawbacks of not addressing this issue?" and get them to write down their answers.

- *Generate solutions* through a workshop, using the tips earlier.

- From the list of solutions generated, define a *conceptual solution* to be tested.

- Get your *top leaders or talents* to test and improve the solutions before training others.

- Set a *deadline to complete the testing*, with updates at your weekly meetings.

- Document the *step-by-step processes*, including scripts, activities, procedures, expected outcomes etc.

- Get your top performers to *teach others using show-and-tell* and role-play.

- Hold another workshop with your staff to *refine and perfect the solution* before rolling it out.

- *Monitor the procedures* weekly (or even daily) so you can observe and make corrections immediately.

- Set specific criteria, *measure results and reward your team* for the desired new behaviors or outcomes, until they become second nature to every employee.

Hiring and Managing Superstars

As an employer, you must be able to attract and manage top producers. As an employee, you must know how to be a top producer.

KEY QUOTES

"I had learned the secret to creating change: you have to put people in pain."

"I always recommend testing new ideas with your top performers."

"People respect what you inspect."

Top producers take the initiative to do more, excel and keep learning. They can turn around a bad situation, outperform all your staff and deliver results beyond expectations. The tips below relate to sales positions, but you can adapt them for other positions.

To hire superstars, be prepared to share the wealth if they successfully build your company.

- Estimate *how much you can afford* to pay if they perform. For SMEs or 1-person armies, estimate the monetary rewards/ value of your top 3 initiatives if they're executed well. For medium to large companies, list up to 3 core positions which are not currently filled by superstars, and estimate the value that a superstar could generate. If you can share 30% of a $100,000 sales target, that means an attractive $30,000 monthly income for that superstar.

- *Hire for personal qualities,* not background. Identify the personality profile of someone who'd succeed in the job, then find tools to assess the desired profiles. For example, a good salesperson is likely to have high scores in "Dominance" and "Influence" using DISC personality profiling—such people can relate to and influence customers, dare to make decisions and deal with rejections.

- *Design your ads,* using the highest possible income figure and word it to attract confident people, e.g. "Superstars only. $180-$300k. Don't call unless you're an overachiever and can prove it."

- *Pre-screen the applicants:* Explain your objectives over the phone, and say something like "Our ad says we're only hiring superstars. Tell me why we should hire you." After they've done their pitch, reject them just to see their response (e.g. "That's great, but I don't hear a top producer"). A true superstar will challenge and persuade you, instead of accepting the rejection.

After shortlisting your potential candidates, use this 3-step process to interview your superstars:

o *Relax.* Start by being friendly so they'll relax and be at their best.

KEY QUOTES

"(You can) grow any company or area faster if you're wise enough to share the wealth."

"If you want to have the Ultimate Sales Machine, you need to have the ultimate salespeople."

o *Probe*. Explain that your company hires based on personality profile, and that you'll be asking a series of personal questions to understand them. Probe to see if they offer details and stories to win you over. Some areas to cover include:

(a) Childhood, e.g. "What aspects of your childhood have shaped who you are today?" or "What was the biggest challenge you've faced in your life?";

(b) Areas of accomplishment e.g. "Tell me 2-3 things you're most proud about yourself" or "Can you share an area in life where you've reached a high level of achievement?";

(c) Commitment to self-improvement, e.g. "How do you improve yourself?" or "What's the last self-help book you've read?";

(d) Benchmark against the best: e.g. "Who is the best salesperson you've ever met?"—see if they name themselves, or can differentiate themselves from the person they've named;

(e) Their resume, e.g. "Why did you leave your last job?", "Tell me about a disagreement you've had with a boss and what happened." Look for those who can identify gaps in their previous jobs without complaining.

- *Attack*. By now, you have a good idea of how they think. Launch a strong but tactful attack to assess their response. Say something like, "This has been great, but I don't really get the impression you're a superstar." A real superstar will remain confident and present his/her case.

Managing superstars. To retain top producers:

- *Never say "no"*. Instead, redirect their energy or throw them a challenge, e.g. get 30% more sales to grant their request, or challenge them to solve a problem they've raised.

- *Compliment them* when they meet and exceed your challenge.

KEY QUOTES

"Superstars never crumble. They have tremendous faith in themselves."

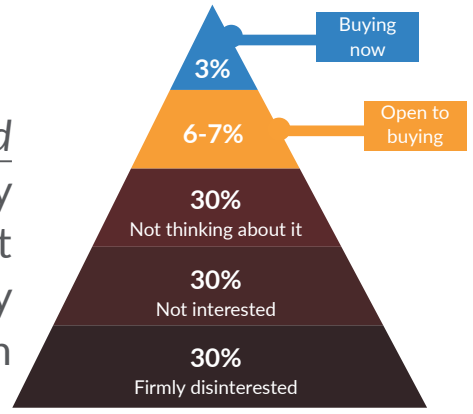
Part 2: Marketing

Multiply your Impact with Sound Strategies

To be a great strategist, you must be able to see the big picture and implement the strategies at the tactical level.

One of the biggest challenges in business is to catch and retain the attention of your prospects. Use the "**buyers pyramid**" to look at your market strategically. Based on 20 years of research, Holmes found that at any one time, for any product or "service"

- 3% of the market are *buying now*;
- 7% are *open to the idea of buying*;
- 90% are *currently not interested* in your product: 1/3 are simply not considering it, 1/3 are not interested, and 1/3 are strongly disinterested and want to stay with the status quo.



Most businesses focus only on the first 2 categories. It's more strategic to concurrently nurture the other 90%.

Focus on market data instead of product data. A headline like "5 ways to benefit from our video-conferencing services" will only appeal to the 3%+7%, while "5 reasons why 96% of businesses fail" could appeal to a much bigger prospect base.

Education-based marketing is one of the most effective ways to reach the entire buyers pyramid.

- Most people are not experts in the products they're buying, and you can *"reset" customers' buying criteria* by teaching them how to be better customers of your product/services.

- For the 90% who're not currently considering your products, your goal is to *capture their interest, build rapport, add value and position yourself as an expert*, so you become the obvious choice when they're ready to buy in the future. For

KEY QUOTES

"The hardest thing we need to do today is grab the attention of potential buyers and keep their attention long enough to help them buy your product."

"One of the most strategic things you can do is to find market data that makes your product or service more important."

"When you sell, you break rapport. When you educate, you build it."

"You will attract way more buyers if you are offering to teach them something of value to them than you will ever attract by simply trying to sell them your product or service."

example, you may offer a free course on "5 Reasons Why Businesses Fail", with useful insights on business challenges like customer service, management or communication. This allows you to incorporate case studies of how certain companies used your video-conferencing solutions to deepen relationships with customers and staff.

Find your marketing angle using the **"stadium pitch"** exercise:

- If you could fill a stadium with your *ideal prospects*, who will be in that stadium (i.e. what's the profile of your buyers pyramid)?
- In order to get everyone in the stadium to stay and listen to you, what must the *title of your talk* be?
- Invest time and resources to develop your stadium pitch, supporting it with data that set the buying criteria in your favor. This will become the your "*core story*" and the anchor of your marketing strategy.

There will always be some fact that will position you as the indisputable choice for your prospects—this is your "**smoking gun**", and it's your job to find it. For example, the smoking gun for selling art to hospitals could be the evidence that certain types of art can drastically improve patients' rate of recovery.

It takes **time and persistent effort** to find your smoking gun and develop a great core story. Use *workshop meetings* to develop ideas with your team and dedicate some time weekly to do market research until you find your smoking gun.

Master the 7 Marketing Essentials

These are the key marketing tools you'd need to build your Ultimate Sales Machine. Identify the ones that will give you the best returns on investment, run workshops with your team to master these tools and keep finding ways to incorporate your core story.

Advertising. To have a big impact, your ads must meet these criteria:

- *Be distinctive,* i.e. they stand out and stop people in their tracks.

KEY QUOTES

"No matter who you are or what you sell, you need to take the time to collect market data and build your core story or your stadium pitch."

"Tell a story that intrigues the imagination and you stand a better chance of people actually watching your commercial."

"Like the headline, the body copy should be benefit-oriented. Don't tell me what it is. Tell me why it is valuable."

- Have an *attention-grabbing headline* with a self-explanatory benefit focused on "you" (the buyer).

- Have a *body copy that holds the prospects' interest* and focuses on the key benefits for them.

- Include a *call-to-action*, e.g. a number to call or a coupon for the first X callers.

Direct mail. Use your stadium pitch as the foundation for your direct mails. Entice people to open your mail with benefits-oriented messages on the envelope, bright colours and even creative gifts (see Part 3 for more ideas). You'll need to send your direct mail frequently and follow up with a phone call.

Brochures. Your corporate brochures should summarize the key points from your core story. Remember to focus on the buyers and how they can benefit, not on how great your company is.

Personal contact with your clients (be it a phone call or a meeting) by your salespeople and customer service staff can be one of the most powerful marketing opportunities.

Market education can be delivered in many ways, e.g. trade shows, speaking engagements and education-based marketing.

Public Relations (PR) can include trade shows, press parties, speaking-engagements, press releases or articles about you.

- *A good PR piece* should cover a broad issue that affects many people, with mention of your company without focusing on it. You should include credible/mainstream sources of information, and cite a Fortune 500 company if you have good reason to do so. Include data from your core story that would interest your target readers, and follow up on each press release with a phone call. Even if you're brushed off initially, you can build a relationship over time with the editor, and position yourself as a domain expert.

- *Charity events and award ceremonies* can also generate great publicity, especially if you can invite market influencers, notable people and/or your dream clients.

KEY QUOTES

"None of your marketing efforts will have as much impact on your client as personal contact with your salespeople or customer service reps."

Use the **internet**—including email, websites, and affiliate marketing—to capture leads, build relationships, interact with prospects, offer webinars, and convert leads to sales. You can build databases by having many microsites that focus on just 1 thing—e.g. www.howtodoublesales.com—then connect subscribers with the rest of your content. You can also build a community around your websites, e.g. if you sell filtered water, your sites can educate people about water, discuss how to protect our natural water sources etc.

Part 3: Sales

Getting your Ideal Buyers

For any product/service, there's always a small group of ideal clients who will buy more, and buy more frequently, than all other clients. Capturing this segment is the fastest and most cost-effective way to grow your business. Holmes call this the "Dream 100 strategy".

The best way to secure your ideal buyers is through **sheer determination**.

- When you *consistently add value*, they'll eventually notice you, and even feel obligated to do business with you. Once you've sold to an ideal buyer (e.g. a Fortune 500 company), it becomes easier to convince others to do business with you.

- *For example*, a real estate broker was able to serve the bulk of an upscale neighborhood after she consistently marketed to the neighbourhood for years. With the same perseverance, Holmes made himself visible to the top names in Hollywood until his screenplay was noticed and eventually bought by Warner Bros.

The same principle applies to getting your **dream affiliates**, i.e. people who don't sell your product/services, but have access to your customers and can help to promote your solutions. For 2 years, Holmes called and wrote to Jay Abraham every other week to pitch for a collaboration, before Jay decided to meet him. This meeting led to sales worth over $15mil, with profits shared by both sides.

KEY QUOTES

"Every product or service can create a community—even bottled water or shaving cream."

"The fastest way to grow any company is to focus a special and dedicated effort on your dream clients."

"The more they become familiar with your name, the better your chance of gaining them as clients."

"To build the Ultimate Sales Machine, you must devote machinelike precision to chase and tackle those dream prospects."

6 Steps to implement your "Dream 100 strategy"

Identify your dream clients. List down your ideal buyers, then refine your criteria. Collect as much information as possible about the companies that meet these criteria—through their websites, phone calls or research sites like Hoovers.

Select great gifts. One of the best ways to get noticed is to send small gifts every 2 weeks. Choose useful but inexpensive gifts that are relevant to your pitch—these won't seem like bribes, and will likely be used by the prospects.

Create your letters to go with the gifts. Keep it short and link the message creatively to your gift, e.g. flashlight ("don't be kept in the dark…"), Rubik's Cube ("don't be puzzled by…."), calculator ("calculate your savings…"). Always include a call-to-action that focuses on your offer (e.g. free course or consultation).

Map out your calendar and what you'll send for the next 3-6 months. You should send something minimally once a month, and ideally every 2 weeks. You can combine these with marketing tools like cards, surveys, coupons, PR articles etc.

Follow up with phone calls. Your goal is to secure an appointment to get the core story in front of them.

- For B-to-B sales, it can be hard to *reach the decision maker*. Use an authoritative tone, sound important and stay in charge of the conversation. For example, don't start your call with "how are you today?". Instead, say "Hi, this is Bill Allen. Is Tom in?".

- During the appointment, use the earlier tips to *present your core story*: educate them using market data, target their pain points, set the buying criteria in your favour, and use the "smoking gun".

Mastering your Presentations

Use these tips for effective presentations.

- *Use compelling visual aids*. 85% of information to our

KEY QUOTES

"Build that list, organize your approach, and never say die."

"Massive and diligent follow-up can penetrate just about any company if you are determined."

brain comes through our eyes. The right visual aids (e.g. using specific colours, pictures of human figures) can help to capture attention, communicate more and improve retention.

- *K.I.S.S. (Keep it Simple, Stupid):* Limit each slide to 1 big heading and 3-4 bullet points.

- *K.I.F.P. (Keep it Fast Paced):* Cover 2-3 slides per minute, with a new point appearing visually every 15s. For webinars, flash new images across the screen constantly.

- *Use WOW Facts* or stats that your audience will remember and share with others.

- *Use stories* to illustrate a point and make it stick.

- *Maintain curiosity:* offer facts followed by explanations, and keep telling them what else is coming up.

- *Use every headline* to sell the slide and keep things interesting.

- *Be confident* but not arrogant. Convey authority using your words, tone of voice and body language. Try to build a rapport with everyone in your audience, e.g. getting them to talk about their problems.

- Always *focus on them*, not on you.

Avoid these common presentation mistakes:

- Don't thank them or apologize for taking up their time.

- Don't present sitting down or with your hands in your pockets. Stand up and keep your hands outside, above your waist.

- Don't lose control, e.g. let questions to disrupt your presentation.

- Don't read off your slides.

- Don't be too serious. A little humor always helps.

- Don't underprepare. Always rehearse out-loud before every

KEY QUOTES

"Don't be lazy. Work to make every headline work hard for you."

"Misery loves company, so engaging (your prospects) on problems creates an instant bond."

"Never apologize or thank them for their time. If you do a good job, then they will thank you."

"Often, a great education can make people realize they need your product."

presentation. Know your whole presentation so you can insert criteria and ideas to presell what's coming up.

Perfecting your Sales Engine

Master the 7 Steps in Selling. Get your entire team to memorize and practice these steps until they are ingrained in their "subconscious competence". Use workshops to teach, practice and perfect your sales process.

- *Establish rapport.* The better your rapport with a client, the more secure the account. You should minimally know their background, family, interests and personal goals, and ideally become friends with them. Role play with your team on how to ask great questions, find common ground and build trust.

- *Discover their buying criteria,* and concurrently work to reset it so your solutions become the obvious choice. Work with your team to develop questions that they can use to know the prospects better.

- *Build value around your product/service,* e.g. teach your customers about manufacturing and how to identify a good vs bad product.

- *Create desire.* Develop a series of questions and killer data to help your prospects see why the status quo is unacceptable.

- *Overcome objections.* Learn your buyers' criteria and pain points with questions like: "What is your biggest marketing challenge?" or "What would it cost you to not fix this problem?". Seek to isolate an objection, e.g., "That's a good reason not to invest in this today. [Add a meaningful pause.] I'm just curious: is money the only thing standing between you and the purchase of this solution?". If there are no other objections, then ask, "So, if we can make this product affordable for you, you will buy it?"

- *Close the sale.* If you truly believe that your prospect will benefit from your product or service, go ahead with the close.

- *Follow-up.* Even after closing a sale, you need to constantly remind your buyers why they bought from you, and find new ways to keep educating them and adding value. The

KEY QUOTES

"The secret to building an excellent sales force (or team of any kind) is in repeating core training on basic sales skills again and again."

"Your job is to set up systems, procedures, and training that create a machine where every salesperson gets deep with your prospects."

more you focus on the prospect during the 6 steps above, the more information you'll have for your follow up.

10 steps to great follow up. Systemize your processes to strengthen client bonds and keep them happy.

- *Send your first letter* within 1-2 hours of your meeting. Start with something personal, include a compliment, push the hot buttons, recap the benefits you can offer and end with a personal close.

- *Follow up with a call,* focusing on providing value such as ideas or information for their challenge.

- Each month, *share something of personal interest* to the client.

- *Ease into their personal lives* with bonding events like parties or meals.

- Follow up from each event with a *letter/card/fax/email,* keeping it short and personal. Reinforce what else you'll do for the relationship.

- Plan something fun that can *involve their family.*

- Offer ways to *help your client succeed,* e.g. connect them to other potential clients or bring them to a useful seminar.

- Stay top of mind with *more cards/letters/emails.*

- Keep offering your help to become an *asset and confidant.*

- Aim to eventually *invite them to your home or be invited to theirs.*

Part 4: Operating your Ultimate Sales Machine (USM)

To build your USM, you need to apply, track and consistently improve the strategies above until it comes naturally to you.

Your Organizational USM. Identify the measures of effectiveness for your key goals (e.g. the number of calls or presentations made), track them and reward performance

KEY QUOTES

"If you are friends with your clients, it is very hard for another salesperson to take them away from you."

"Become involved in (your clients') lives and in the success of their businesses. Make it your personal mission to help them succeed."

"Implementation, not ideas, is the key to real success."

until these are part of your organization's DNA.

Your Personal USM. You can use the same approach to train yourself to naturally focus on opportunities around you.

- Your brain's *reticular activating system (RAS)* scans the environment based on the often-subconscious instructions that you give it. Focus your mind on success and keep demanding your brain to find solutions.

- Use *workshops* to define your goals (e.g. lifetime goals, annual goals), or find ways to create success (e.g. 3 things to do each month to improve your life, 3 things to do each month to make your team more effective).

The idea is to have the discipline and determination to stay focused on what matters, until it's second-nature for you to achieve your goals.

Other Details in the Book to Look out For

This book is packed with resources and detailed examples to help you understand and apply the strategies outlined in this summary. These include:

- Examples, scripts and tips for workshop training, recruitment, interviews, advertising/marketing campaigns, pitches, letters and follow-up;

- Stories and anecdotes from a wide range of businesses, based on Holmes' and his clients' experiences; and

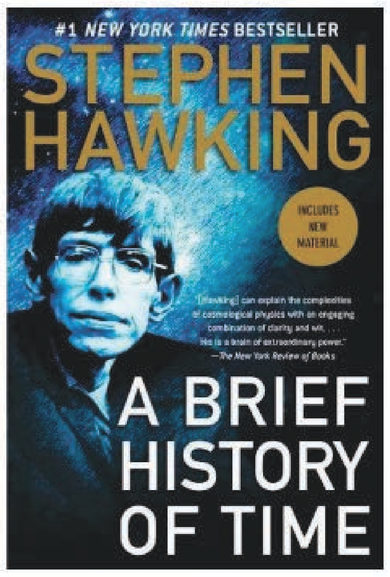
- Exercises (including reflections, assessments etc.) to help you apply and customize the tips for your business.

For more details and resources, please visit www.chetholmes.com.

KEY QUOTES

"Attitude is the only thing we can control in life, yet it's also the most powerful."

"If you make this book your sales, marketing and management bible and study it again and again, you'll never need to know anything else to rule your market. That and pigheaded determination."



A BRIEF HISTORY OF TIME

STEPHEN HAWKING

The Big "So What"

Mankind has always sought to understand our world. We want the answers to questions like: When/how was universe created? Where did we come from? Where are we going? Using simple layman terms, this book explains abstract concepts about cosmology—such as space, time, black holes, quantum theory and the expanding universe—to help us understand our universe in scientific terms.

Introduction

To have a meaningful discussion of the universe, we must first understand **what a scientific theory is**.

- A *good theory* must (i) accurately describe events (with rare exceptions) based on a model, and (ii) accurately predict future outcomes or observations.

- However, *all theories are provisional* because something that has been true so far can still be contradicted in the future. All it takes is 1 false event to disprove a theory. We can have more confidence in a theory if it makes accurate predictions consistently, but we can never prove a theory definitively.

While the universe may seem vast and unknowable, it actually follows certain laws that can be observed, understood and predicted. Over the centuries, mankind has vastly **updated our knowledge** by making observations, forming theories, then constantly testing, discarding or refining them based on how well our observations matched our predictions.

KEY QUOTES

"A theory is just a model of the universe, or a restricted part of it, and a set of rules that relate quantities in the model to observations that we make."

"Any physical theory is always provisional, in the sense that it is only a hypothesis: you can never prove it."

- For instance, Aristotle first theorized in 340 B.C. that Earth was round (not flat) and that the sun, moon, stars and planets moved around Earth in circular *orbits*. Many different theories were debated thereafter. In the 1600s, our predictions finally aligned with our observations, when it was theorized that the moon, stars, and planets (including Earth) orbited around the sun in ellipses (elongated circles). Then in 1687, Newton's theory on gravity explained *why* this happened—the celestial bodies were being attracted to one another by gravitational forces.

- Today, we still have an incomplete understanding of our universe. We can explain and predict parts of it through separate theories, but *we lack a unified theory* that fully explains the whole universe. *This* is the ultimate goal of science and our quest for knowledge.

What We Know about our Universe

Everything is relative. Nothing is absolute.

Everything is in motion. In the past, people assumed that an object's natural state was at rest, i.e. it'd stay totally immobile if there was no force acting on it. Sir Isaac Newton disproved this with his Laws of Gravity. The laws state that everything is *already* in motion and objects are constantly moving in relation to one another. A stationary chair may *seem* to be at rest, but it's in motion since it's sitting on a moving Earth. Specifically:

- The *first law* says that an object will keep moving in a straight line provided it is not acted on by another force, e.g. balls will roll down a slope in a straight line if gravity is the only force.

- *The second law* says that an object will accelerate at a rate proportional to the force acting on it, e.g. a car with a strong engine will accelerate faster than one with a

KEY QUOTES

"Today we still yearn to know why we are here and where we came from...And our goal is nothing less than a complete description of the universe we live in."

weak engine. And, the greater the body's mass, the less its motion is affected by the force, i.e. a heavier car takes longer to accelerate.

- *Newton's third law* says that all bodies attract other bodies with a force proportional to the mass of each object.

Space and time are not absolute; they are relative to the observer.

- *Space is relative*, i.e. there's no absolute standard of space. Since everything is constantly moving relative to everything else, it's impossible to determine if 2 events occurring at different times actually happened in the same space.

- *Time is also relative*, i.e. it moves at different speeds for different observers.

  (i) Ole Rømer discovered that light moves at a uniform speed (186,000 miles/second) regardless of the observer's position or speed of travel. But, Newton's law says that nothing is fully at rest, so light must travel at a constant speed relative to *something*. Speed is calculated as the distance travelled divided by time (S = D/T). If you drive at 100km/hr, you'll be 100km closer to your destination after 1 hour. But if you travel at the speed of light which is *always* the same, S is constant as D changes, which means T must also be changing.

  (ii) Albert Einstein and Henri Poncare separately and independently concluded that time slows down as you approach the speed of light. Einstein's equation $e=mc^2$ (where e = energy, m = mass and c = speed of light) says that an object's mass increases as its energy and speed increase. Objects can approach the speed of light but never actually reach it, and nothing can travel faster than the speed of light.

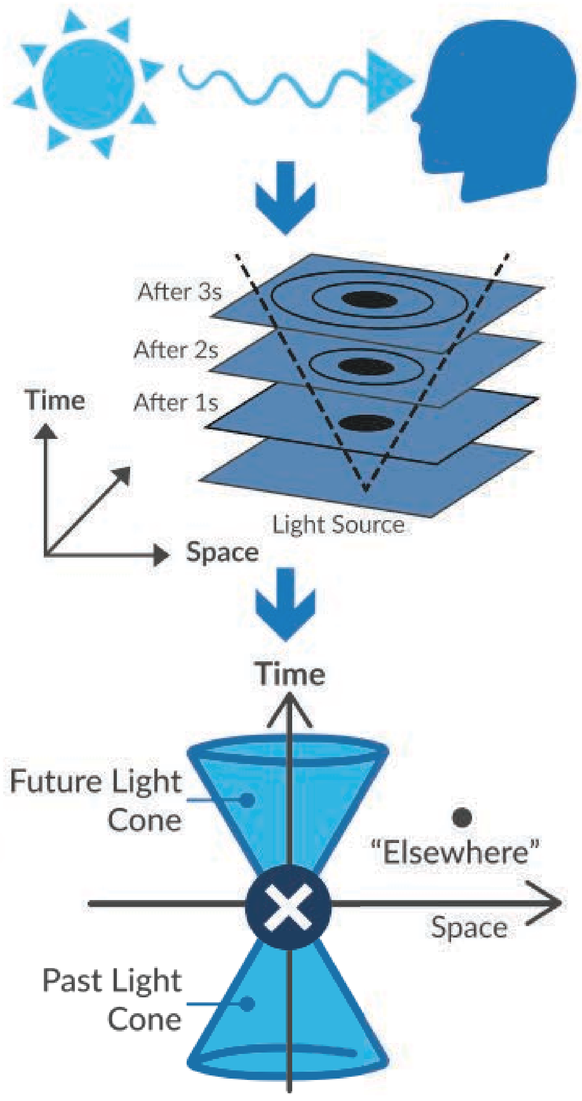
As we've seen, space and time can't be treated separately. They are interwoven into the fabric of space-time.

KEY QUOTES

"The theory of relativity... [forces] us to change fundamentally our ideas of space and time. We must accept that time is not completely separate from and independent of space, but is combined with it to form an object called space-time."

- All events must be mapped in space-time relative to *4 coordinates*: (a) a point in time and (b) a point in space, relative to (c) the observer's position and (d) the observer's motion.

- Light moves in waves and expands in a widening curve as it travels through space-time, just like how a rock creates ripples in a pond. You can visualize the effect as a *light-cone*. The audience in the future light cone can see Event X. Event X in turn can receive signals from those in the past light cone, and possibly be influenced by them. Events that lie outside the future/past light cones are said to lie in the event's "elsewhere"—they neither affect nor are affected by what happens at X.



- Let's imagine that Event X is the sun burning out. Since the sun is so far away, it takes time for the light-waves to reach us. By the time we see the sun burning out, the event is long past. So when you look at the starry sky, you're seeing how the universe looked like *in the past*, i.e. you're in the future light cone of the light from those stars.

In 1916, Einstein's general theory of relativity added gravity to the picture. Einstein theorized that space-time isn't flat and doesn't travel in a straight line.

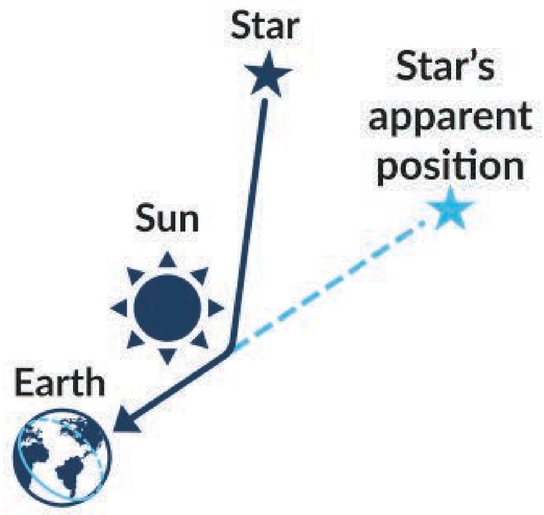
- Imagine putting a heavy object on a stretched-out piece of fabric—the weight of the object will cause the fabric to sink. Likewise, gravity warps the *curvature of space-time* so it travels with a slight curve instead of a straight line. Due to the space-time curvature, distant stars actually appear to be in a different position than their actual location.

KEY QUOTES

"Space and time not only affect but also are affected by everything that happens in the universe."

"When we look at the universe, we are seeing it as it was in the past."

"In the theory of relativity there is no unique absolute time, but instead each individual has his own personal measure of time that depends on where he is and how he is moving."



- You'll *experience time differently* depending on where you are and how you're moving. If you're travelling in space at close to the speed of light with a low gravitational pull, 50 years later you'll look much younger than your twin who stayed on Earth.

- Einstein's general theory of relativity explains most things in the universe. Yet, it is *incomplete* because it can't explain how the universe was started. This is where quantum theory comes in.

The Uncertainty Principle and Quantum Mechanics

For a long time, scientists believed in determinism, i.e. we'd be able to predict everything so long as we had perfect and complete info. However, this was quashed in 1926 when scientist Heisenberg presented the **uncertainty principle**. To measure the position and velocity of a particle, you must shine a high-frequency light on it. This would disturb the particle and disrupt its velocity in unpredictable ways. So, it's impossible to accurately observe and gauge a particle's position and speed. If we can't precisely measure the state of the universe at any point in time, then we can't accurately predict the future.

This laid the foundation for the new field of **quantum mechanics**:

- Quantum mechanics recognizes randomness and adopts a *probabilistic approach*. Instead of trying to predict exactly how particles will move to get 1 definitive result, it predicts the probabilities of various possible outcomes.

KEY QUOTES

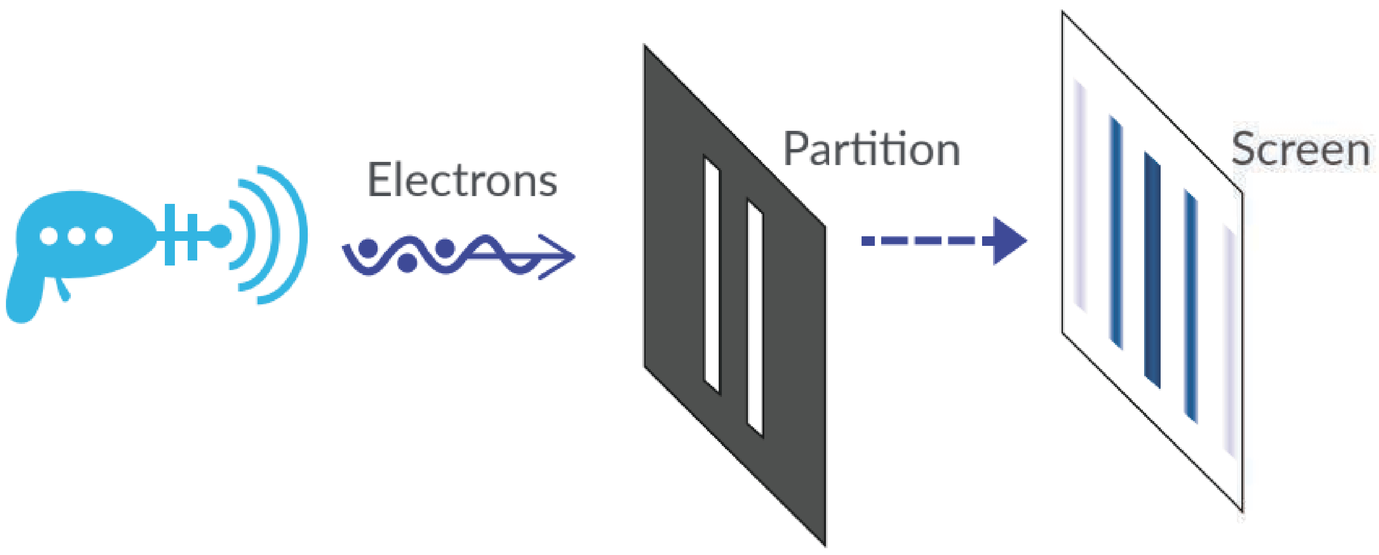
"We have seen…how, in less than half a century, man's view of the universe, formed over millennia, has been transformed."

"One certainly cannot predict future events exactly if one cannot even measure the present state of the universe precisely!"

"One could predict the approximate number of times that the result would be A or B, but one could not predict the specific result of an individual measurement."

- It also looks at the physical world in terms of both particles (e.g. atoms) and waves (e.g. light or radio waves). This is significant because there may be interference when 2 sets of *waves or particles* coincide—they may (i) reinforce each other to form stronger waves or (ii) cancel each other out.

- The two-slit experiment shows that light/matter can display the characteristics of both *waves and particles*. When you shine a light-source through a partition with 2 parallel slits, you'll see bright-and-dark bands on the screen behind—this shows the wave characteristics of light. Even if the electrons are sent one at a time, you'll still get the fringes instead of a uniform distribution, i.e. each electron is passing through both slits concurrently.



The Building Blocks of Nature

To understand how the universe works, we must understand its building blocks. Quarks are the smallest known bits in the universe that are believed to make up everything.

- *Atoms* are the basic building blocks of matter, and can be combined to create molecules. By the early 20th century, we know that each atom is made of negatively-charged electrons orbiting around a positively-charged nucleus (made of positive protons and neutral neutrons).

- In the 1960s, scientists discovered that protons and neutrons are made up of even smaller particles—*quarks*.

  (i) A quark's "*spin*" describes how it looks from different angles (e.g. a particle that looks the same from any direction has a spin of 0).

KEY QUOTES

"We do have some theoretical reasons for believing that we have, or are very near to, a knowledge of the ultimate building blocks of nature."

(ii) The *exclusion principle* says that 2 similar particles can't have the exact same position and velocity.

(iii) Every particle has an *antiparticle* that can annihilate each other (e.g. electron vs positron). The existence of observable matter means that the universe has more quarks (and the protons/neutrons they form) than antiquarks, antiprotons, and antineutrons.

Matter particles interact via force-carrying particles.

- A matter particle (e.g. an electron) can emit a force-carrying particle. This creates a recoil that changes the velocity of the matter particle. The force-carrying particle then collides with another matter particle to change the latter's velocity. With repeated collisions, they can create strong forces.

- There are *4 types of force-carrying particles*, each with different force-levels and nature of interactions: (i) *gravitons* carry gravitational forces, (ii) *photons* produce electromagnetic forces, (iii) *bosons* create weak nuclear forces and (iv) *gluons* bind quarks to protons and neutrons to create the nucleus in atoms.

The **grand unified theory (GUT)** says that at extremely high energies, nuclear forces can be weakened to unbind gluons and quarks so they act like free agents. At such energy levels, it's theoretically possible to merge electromagnetic, weak, and strong forces into a single force. However, there's currently no conceivable way to generate that level of energy. The GUT also predicts that it's possible for protons to randomly decay into particles like antielectrons, though this phenomenon has yet to be observed.

The Big Bang and the Expanding Universe

For the bulk of human history, people assumed that the universe either (i) had always existed in an infinite, unchanging state, or (ii) was created at a finite point in time (by God or a Creator in line with religious and theological beliefs). However, we later discovered that the universe is actually dynamic and expanding.

KEY QUOTES

- Light is made up of the spectrum of component colors found in a rainbow. The *Doppler Effect* says that the frequency of sound/light/other waves changes as the source moves toward or away from the observer. The wavelength of the waves you receive is longer if the source is moving *away* from you (called "red-shift" since the longest wavelengths are at the red end of the spectrum). The wavelength is shorter if the source is moving *toward* you (called "blue-shift"). That's why the engine sounds of a car approaching you seems to have a higher pitch compared to one that's driving away from you.

- By studying wavelengths of visible light, astronomers found that most galaxies are *red-shifting* or moving away from us. The universe is expanding at a rate fast enough to overcome the forces of gravity (which would otherwise have caused it to contract). This is similar to how a rocket must travel fast enough to escape Earth's gravitational pull to enter orbit.

If the universe has been expanding for eons, then there must have been a time when it was infinitesimally small. That's **the Big Bang**.

- For the bulk of the 20th century, the *"Hot Big Bang" model* was used to explain how our universe came to be. According to this model, the universe was incredibly hot right after the Big Bang explosion. Particles moved rapidly to form protons, neutrons, atoms, and molecules. Within seconds, the universe had expanded, started to cool, and particles slowed down to form new elements though a series of nuclear fusions. Within a few hours, most of the hydrogen and helium in our universe today were formed in huge clouds. Over millions of years—as the universe kept expanding and cooling—these became the building blocks of new atoms and molecules that eventually made up all other matter (including Earth and humans).

- This model explains much of our observable universe, but not all of it. One of the unanswered questions was: *why/how did the universe expand so uniformly* across space-time on a large scale? It's tempting to use theology to explain away such unknowns—maybe God simply

KEY QUOTES

"The old idea of an essentially unchanging universe that could have existed, and could continue to exist, forever was replaced by the notion of a dynamic, expanding universe that seemed to have begun a finite time ago, and that might end at a finite time in the future."

"So long as the universe had a beginning, we could suppose it had a creator. But if the universe is really completely self-contained, having no boundary or edge, it would have neither beginning nor end…What place, then, for a creator?"

decided on those conditions for His divine purposes. Yet, scientists continue to search for concrete laws to explain these observations.

Guth's **inflationary theory** helps to explain this strange uniformity. This theory says that after the Big Bang, the universe ballooned to a million million million million million times its radius in <1 second. This rate of expansion was much faster than the Hot Big Bang model, and would've caused the universe to supercool so fast that forces would stay unified instead of decoupling. The resulting energy and anti-gravitational effects would further accelerate the expansion of the universe to create the large-scale smoothing and uniformity that we observe today.

The Big Bang is what we call a **singularity event**, i.e. a point where the changes in conditions are so infinite and irreversible that all rules of "reality" are changed. In less than a second, the universe had exploded to millions and millions of its original radius. The Big Bang can be considered *the beginning of time*, since the laws of physics (and even the concept of time itself) only started with it. All prior events fall in the "elsewhere" of our light cone and are both unobservable and inconsequential.

Will our universe expand indefinitely? If space-time began with the Big Bang singularity, it could also end with a singularity, be it (i) a big crunch singularity (where the whole universe re-collapsed), or (ii) a singularity inside a black hole (specifically for the object that fell in). Current evidence suggests that our universe is expanding 5-10% every 1000mil years, and is **likely to expand forever**. Even if it were to re-collapse, it won't happen for at least 10,000 mil years.

Black Holes

How are black holes formed? Stars are created by clusters of free-floating hydrogen atoms brought together by gravity. The atoms interact to produce nuclear reactions, leading to the formation of other elements (mainly helium).

KEY QUOTES

"Time had a beginning at the big bang."

- Stars have a huge gravitational pull. They remain *stable* when the outward pressure from the core nuclear reactions is balanced with the inward gravitational pressure.

- A star will eventually exhaust its supply of fuel. As it starts to cool and contract, its fate depends on the *Chandrasechar Limit*:

  (i) If a star has <1.5x the mass of our sun (i.e. it's *below* the limit), it'll shrink to a fraction of its original mass and become what's known as a white dwarf or neutron star.

  (ii) If a star is *above* the limit, it'll become too dense to withstand its own gravitational force, thus collapsing to become a black hole.

Black holes have such **infinite gravity** that even light can't escape. So, objects can enter but nothing can exit. Inside a black hole, normal scientific laws break down just like the conditions prior to the Big Bang. "Time" and "space" have no meaning.

- It was originally believed that black holes are invisible and can only be detected via their gravitational forces. Later discoveries show that they actually glow like hot bodies due to particles (*x-rays and gamma rays*) escaping from the area around them.

- Earlier, we explained the existence of particles (with a positive charge) and antiparticles (with a negative charge) which would normally annihilate each other. These also exist in the spaces around black holes. However, the gravity near a black hole is so immense that a negative-energy particle can fall in and get transformed into a positive-energy particle. This allows the partner particle to "survive" and escape the area. Black hole regions *emit so much energy* that 1 black hole alone could meet our world's electricity needs—if we could find a way to harness it.

While there's no conclusive evidence of black holes yet, scientists have (i) identified possible black holes in the observable universe and (ii) proven the existence of neutron stars (which have similarly high density). In the meantime,

KEY QUOTES

"Black holes are one of only a fairly small number of cases in the history of science in which a theory was developed in great detail as a mathematical model before there was any evidence from observations that it was correct."

black holes' proven radiation emission have **major implications** for science and metaphysics. Any object that falls into the black hole is emitted as radiation, which means that matter is never truly destroyed but recycled as energy. A human who fell into a black hole may die, but his mass or energy will still continue to exist in some other form.

Why Backward Time Travel is Unlikely

We've established that time is relative. The next question is **whether time moves in a certain direction** and if it can travel backward. In imaginary time, you can move forward or backward without any difference. But in "real" time, the direction of time matters.

An arrow of time is what differentiates the past from the future to give direction to time. Hawking believes that backward time travel is unlikely due to **3 arrows of time**.

- *The Thermodynamic Arrow*: According to the second law of thermodynamics, entropy or disorder in a closed system can only increase or stay constant—it can't decrease. Moving time backward means that a broken cup can be made whole again, which violates the law.

- *The Psychological Arrow*: Psychologically, we can only remember events in the past, not the future. We experience time from a known past to an unknown future with increasing entropy.

- *The Cosmological Arrow*: Entropy increases as the universe expands (not as it contracts), again implying that time must move forward, not backward.

There are also **inherent paradoxes to backward time travel**.

- To travel back in time, you must be able to *travel faster than the speed of light*. Imagine if you were traveling from Point A to Point B. If you moved so fast that you arrive at Point B before the light waves arrive, you can observe your past self leaving Point A. Yet, we've established that it isn't possible to travel faster than the speed of light.

KEY QUOTES

"The laws of science do not distinguish between the forward and backward directions of time. However, there are at least three arrows of time that do distinguish the past from the future."

"The progress of the human race in understanding the universe has established a small corner of order in an increasingly disordered universe."

- Another paradox is the "*grandfather paradox*". If you could go back in time to kill your grandfather, you won't exist in the present, which means you couldn't have gone back to kill your grandfather, and so on. This can only be reconciled if backward time travel doesn't allow you to alter past events, i.e. you enter an alternate history that doesn't affect the current space-time.

For now, **wormholes** offer the best possibility for time travel. The no-boundary proposal says that at the start of space-time, the universe had a warped curvature that allowed time to travel in any direction. This no longer seems possible after the universe expanded and flattened, but perhaps such curvatures still exist in certain areas. If so, quantum physics says that it's possible to bend space-time to let a wormhole cut through 2 regions of space-time.

The Quest for a Unified Theory

We've learned a lot about our universe within a relatively short period of human history. However, we still have some way to go before we have a **unified theory** that can explain the entire universe. The laws of general relativity don't work at sub-atomic levels and for singularity events. Quantum mechanics, on the other hand, work for all scenarios but we don't have a consistent theory that incorporates it with gravity. So, a unified theory must somehow combine the laws of general relativity and quantum mechanics.

So far, the **string theory** comes closest to bridging this gap.

- The theory basically *replaces particles with strings*—instead of a particle in a point in space at a point in time, we have strings in a line in space at each point in time. So, every point corresponds to a time and to a position on the string. Waves move up and down the string (similar to how particles collide with one another), to cause strings to combine or split apart.

- String theories seem to describe and predict our universe better than other theories. However, they need *up to 26 dimensions of space-time* to work. This contradicts

KEY QUOTES

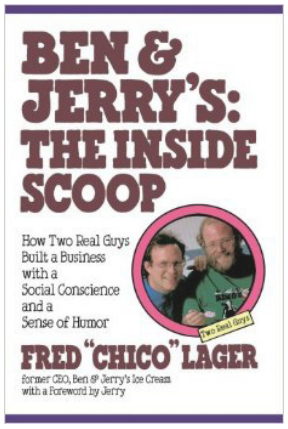
"A complete, consistent, unified theory is only the first step: our goal is a complete understanding of the events around us, and of our own existence."

our longstanding notion of a four-dimensional space-time. It's possible that we don't see the extra dimensions because they're too tiny to be observable on a large scale, or because we only exist in the regions of the universe with four dimensions.

As explained earlier, we can never prove a theory 100%. So, we might never know if we've discovered the unified theory. We can only be confident that our theory consistently make predictions that're in line with our observations. Just like how the general relativity and quantum theories are now widely accessible to the masses, the discovery of a unified theory will allow mankind to completely grasp the laws that govern our universe. Only then will our **quest for understanding** finally be fulfilled.

KEY QUOTES

"If we do discover a complete theory…Then we shall all, philosophers, scientists, and just ordinary people, be able to take part in the discussion of the question of why it is that we and the universe exist."



BEN & JERRY'S: THE INSIDE SCOOP

How Two Real Guys Built a Business with a Social Conscience and a Sense of Humor

By Fred 'Chico' Lager

The Big "So What"

In less than 15 years, Ben & Jerry's grew from an ice cream parlour in an abandoned gas station (with $12,000 investment), to a publicly traded corporation with annual sales of over $100 million. The book traces the inside story of how Ben & Jerry's evolved from a start-up to leading company, yet remained one of the most innovative, progressive and socially responsible businesses in the world.

Introduction

This anecdotal story is told through the eyes of Fred Lager ("Chico") who was hired in 1982 as the Ben & Jerry's General Manager and became President and CEO in 1989. The book gives us a glimpse of:

- Ben Cohen and Jerry Greenfield as individuals and entrepreneurs;
- How they conceptualized and grew their start-up;
- The various struggles and growing pains that the company faced; and
- How the company overcame these challenges to become one of the leading premium ice cream brand.

The story stopped in 1994 (when the book was published) and didn't include subsequent developments e.g. Ben & Jerry's acquisition by Unilever in 2000. Nonetheless, it provides useful insights on how the company grew from a struggling start-up to a successful listed corporation. It's an entertaining and inspiring read for ice-cream lovers and entrepreneurs alike.

In this summary, we'll first outline the key milestones of Ben

KEY QUOTES

"Other than its ice cream and yoghurt, the company is perhaps best known for bringing 'sixties values' to today's business world."

'The most amazing thing is that our social values…have actually helped us to become a stable, profitable, high-growth company… Like individuals, businesses can conduct themselves with the knowledge that the hearts, souls and spirits of all people are interconnected; so that as we help others, we cannot help helping ourselves."
- Ben Cohen

"I'd rather fail at something new than succeed at something old."
-- Ben Cohen

"We can't just optimize profits. We have to optimize the community as well."
-- Ben Cohen

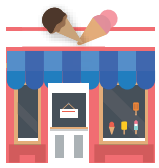
& Jerry's growth from start-up to 1994, before distilling the highlights and insights that we've gleaned from their journey.

Key Milestones

Jerry and Ben went into business without a real plan, business background nor knowledge of ice-cream making. They simply figured things out along the way and overcame each challenge with creativity and great work ethics.

1977: A decision is made

Ben Cohen and Jerry Greenfield met in high school. Since young, Ben could put 100% into something he believed in, but be totally uninterested in something imposed on him. He eventually dropped out of university, tried a year of pottery course and took on a range of jobs before deciding to go into business in 1977. Jerry, on the other hand, did well in school academically. However, his grades slipped as he took on more sporting activities, he couldn't get a place in medical school, and ended up as a lab technician. When he was temporarily ditched by his girlfriend Elizabeth Skarie (whom he eventually married), he accepted Ben's invitation to start a business.



1978: In Business!

Jerry and Ben decided on an ice-cream business, and invested $5 in an ice cream making course. Since most warm cities already had homemade ice cream shops, they settled for Vermont despite its cooler climate. They got a bank loan of $4,000; put in $4,000 of savings each, and started Ben & Jerry's with a working capital of $12,000.

The company was incorporated in Vermont on 17th December, 1977. Jerry and Ben took over an old service station building in February 1978, scrimped and saved to renovate it, concurrently figured out how to make ice cream, and opened the shop for business in May 1978.

KEY QUOTES

"With the exception of buying a big rig and becoming cross-country truck drivers, most of Jerry and Ben's ideas for a business involved food."

"Our original concept for the store was "Ice Cream for the people". We wanted to make the best ice cream available and sell it at a price that everyone could afford."
- Jerry Greenfield

1979: One-year Anniversary & Free Cone Day

When sales tapered off nearing winter, they started to promote the store to stay in business. They worked with a local graphic artist to develop ads using hand lettering, and tried a range of promotions, including a new company slogan, throwing an annual gala (with stilt walking, ice-cream eating contests, frog jumping etc.), launching a "Penny Off Per Celsius Degree Below Zero Winter Extravaganza", and running a free outdoor movie festival during the summer .

They also launched their first-ever Free Cone Day on the annual anniversary of their store's opening, giving out free scoops to everyone. This tradition still continues today . But, despite strong sales, they were still losing money.

1980: Wholesale took off

Their wholesale business started with Ben driving to restaurants to ask if they wanted ice-cream. The company soon needed additional production capacity, and secured more loans to convert an old textile mill for manufacturing.

By summer, they had a manager running the shop, while Jerry churned ice cream and Ben handled sales and delivery. Although their shop was now making money, it wasn't enough to cover the increased overheads.

One day, Ben hit on the idea of packaging ice cream in one-pint containers for sale through groceries and mom-and-pop shops. The new pint containers were launched in February 1980 with the slogan "Vermont's Finest All Natural Ice Cream" . They printed a picture of the 2 founders on the lid and a money-back quality guarantee at the back of each container . Sales took off and within a few months, they grew from 35 wholesale accounts to more than 200.

1981: Franchise

Their first franchised scoop shop was launched in Vermont in July 1981. Around that time, Time magazine ran an article about homemade premium ice cream, hailing Ben & Jerry's

KEY QUOTES

"The gas station was the embodiment of funk – which, like pornography, is hard to define, but easy to recognize when it's staring you right in the face."

as “the best ice-cream in the world”. This gave an added boost to the already-booming sales.

1982: Move to Downtown Burlington

By 1981, both Jerry and Ben were burnt out, worried about not living their values as successful businessmen, and considered selling the business. Ben eventually decided to stay, convinced that he could run business in accordance with his personal values, rather than traditional business notions. Jerry sold off 40% of his shares (retaining 10%), followed his girlfriend to Arizona, but agreed to return about 4 times a year under a consulting agreement. They brought in Fred “Chico” Lager as General Manager, so Ben could continue to focus on sales and marketing.

At the same time, they moved out of their signature gas station outlet to a location in downtown Burlington.

1984: IPO & Pillsbury Showdown

By this time, Ben & Jerry’s had successfully entered Boston, their first metropolitan market. They needed $2.5 million to build a new plant, and decided to partially fund it with a Vermont-only IPO. The offering was over-subscribed, and Ben & Jerry’s raised $700,000 in new equity. They also secured the debt funding required for the plant expansion.

Around mid-1984, Häagen-Dazs (the leading premium ice cream brand and subsidiary of conglomerate Pillsbury Corporation) tried to force Ben & Jerry’s Boston distributors to cease carrying their ice cream. Ben & Jerry’s decided to launch a media campaign against Pillsbury – “What’s the Doughboy afraid of?”.

- They portrayed Pillsbury as the big boy trying to unfairly quash 2 hippies from Vermont (who embodied the American Dream).
- Jerry came out of retirement, and started a one-man picket outside the Pillsbury corporate office. They offered write-in kits with sample letters of protest, campaign T-shirts, and put stickers on their ice cream containers with an 800-number for people to comment about Pillsbury’s

KEY QUOTES

“If there’s something you don’t like about the business, change it.”
- Maurice Purpora, restaurateur

“Other than the founders themselves, nothing personified the business more than the original store. Without it and Jerry, Ben was now running a much different business from the one the two friends had started four and a half years earlier.”

“In retrospect, the key to the case had been the decision to retain lawyers who were already completely familiar with the relevant case law, not someone who’d have to spend time in the library, researching precedents.”

actions. They received extensive media coverage.

- Ben backed up the publicity campaign by hiring an established attorney with strong experience in antitrust litigation.
- In less than a year, they secured an out-of-court settlement, which effectively prohibited Häagen-Dazs from interfering in Ben & Jerry's distribution arrangements. They had also received more publicity than ever possible with paid advertising.

1985: Ben & Jerry's Foundation

Just after their Vermont IPO, Ben & Jerry's found themselves growing so fast that they were 2 years ahead of projections. In May 1985, they raised another $5 million in shareholder funding on Nasdaq to fund further capacity expansion.

In the meantime, the Ben & Jerry's Foundation was set up to fund projects for social change, supported by 7.5% of pretax profits from Ben & Jerry's. Ben also gave 50,000 of his personal shares as an initial endowment.

1986: Dreyers & Cowmobile

Soon after the Pillsbury saga, Ben & Jerry's faced another competitive threat, this time from Richie Smith, who was acquiring Steve's (a homemade ice cream maker) to directly compete with Ben & Jerry's.

Ben responded with the near-impossible goal of entering the remaining major markets, to achieve national distribution before Steve's was relaunched. They broke into the first 4 new markets with just Ben and 1 other sales staff . Fortunately, a distribution deal with Dreyers took care of their next 4 major markets and many other smaller cities.

Smith re-launched Steve's as a direct imitation of Ben & Jerry's, down to their best-selling flavours, packaging, and their claim of "Boston's Best" to pit against Ben & Jerry's "Vermont's Finest" . By now, Jerry was back on the payroll. He and Ben decided to personally do a cross-country scoopathon.

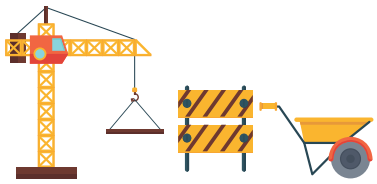
KEY QUOTES

"They had unwittingly handed us a public-relations bonanza that had created brand awareness for our ice cream far in excess of anything we could have generated with paid advertising."

"Ben and I found it somewhat amusing to watch our stock price go up and down with very little correlation to how things were going at the company. Most of the movement was tied to investment reports that the brokerage firms were now publishing about our stock."

"The second brand in (a market) faced a huge uphill battle, not just with the ultimate consumer, but with distributors and retailers who would question the need for a "me too" product."

They created "Cowmobile" from an old recreational vehicle, and drove across the country giving away free ice cream cones. The campaign created awareness for their ice cream around the country, and generated more than $1 million of free publicity . Sales doubled for the 3rd year in a row, to reach almost $20m.



1988: Strengthening foundations

Ben & Jerry's ended 1988 with more than 80 scoop shops in 18 states, and sales growing by about 50% for the 2nd consecutive year. The company had been struggling to keep pace with its explosive growth, and saw the critical need for organizational development, succession planning and mission clarification and actualization.

In the meantime, Ben & Jerry's embarked on several innovative social-mission projects, e.g.

- Introducing a novelty bar (Peace Pops) to promote having the Federal Government allocate 1% of the annual defense budget to promote world peace;
- Taking brownie supplies from a small bakery which hired homeless and unemployable people;
- Opening a scoop shop in partnership with a community group to provide job experience and business training for youths; and
- Changing to environmentally-friendly packaging and taking on related environmental initiatives.

They concurrently decided on a co-packing arrangement (to support their growth without constantly adding new plants and employees), and set up a franchise advisory council to improve their franchise arrangements. However, human resources - filling key management positions, training, staff alignment – continued to be an issue.

1990s: Stability and Recognition

By 1990, the organization development work was starting to pay off, with the majority of staff feeling satisfied with their jobs, and supportive of the company's social mission. The company also started to win several awards for its products,

KEY QUOTES

"(Jerry) was once again an integral part of the company, contributing to its success on many levels."

entrepreneurship and social responsibility, e.g. making it to the Forbes Magazine list of "200 Best Small Companies in America" for the 3rd successive year in 1992, and having one of its flavors selected as one of Fortune Magazine's "Products of the Year".

Their social mission was also taking shape with several new initiatives:

- They sought alternative producers and suppliers, including fruit from the Passamaquoddy Indians in Maine & Brazil nuts grown in rain forests (rather than from cut-down trees);
- Ben & Jerry's replaced Oreo cookies in its recipes because the supplier also sold cigarettes;
- When milk prices dropped, Ben & Jerry's paid Vermont farmers a premium based on historical prices; and
- Ben & Jerry's promoted a social pressure group called ACT NOW which took a public stand on various issues with social impact.

After a few years of slower but steady growth, Ben & Jerry's pulled just slightly ahead of Haagen Dazs in market share in end-1994, and a new CEO, Bob Holland, came onboard.

KEY QUOTES

The Inside Scoop and Useful Insights

Behind Ben & Jerry's phenomenal success were numerous challenges, many of which were not obvious to the external world. Lager shared the inside story through anecdotal examples in vivid detail. In this segment, we present some of our key takeaways.

Staying True to Themselves

The 2 founders were instrumental to the company's success. Their business philosophies influenced all aspects of business, and were probably best represented in their quotes on the first Free Cone Day:

"Their involvement in the business was so personal that it was impossible to delineate where Ben and Jerry ended and where Ben & Jerry's began."

"Jerry and Ben had decided early on in their business careers that they would only do the jobs they liked to do."

"If it's not fun, why do it?" – Jerry
"Business has a responsibility to give back to the community from which it draws its support." – Ben

The duo worked hard, but also focused on what they enjoyed, and this led them to play to their complementary strengths:

- Ben was optimistic, entrepreneurial, driven, set uncompromising quality standards, and had great marketing instincts & creativity. However, his perfectionist standards, endless ideas and constant changes made him hard to work with.
- Jerry was accessible, down-to-earth & loved experimenting with ingredients, making him a great operations chief and ombudsman.

A Commitment to Quality

Jerry and Ben developed their first ice creams at home. Due to a sinus problem, Ben had a deficient sense of taste and smell. Hence, their ice-cream had to be heavily flavored with lots of chunky ingredients before Ben could even decipher the flavors.

From the onset, they wanted their ice-cream to be the best - rich, creamy, smooth, dense and chewy – even if it cost more. They were willing to put a money-back guarantee behind their quality .

They were constantly experimenting with new flavours and retiring less popular ones.

More than money

Making money was never Jerry and Ben's main priority, and book-keeping was certainly not their strength. How did they succeed?

With no real business plan nor knowledge of what was involved, Jerry & Ben started by **improvising and learning on-the-job**:

- To approach the bank for loans, they took a copy of their friend's pizza parlour plan, and substituted the word "slices" with "cones" . Having no idea how much things

KEY QUOTES

"No matter how many variations of a product Ben tasted, and how many times he changed the formula, he was always convinced he could further improve what he was working on."

"Jerry liked experimenting with ingredients, and to this day maintains that there is no such thing as an unredeemable batch of ice cream."

"Ben often spoke of the competitive advantage that came from producing a product that was so difficult to make that no one else would put themselves through it."

'We didn't have a lot going for us. We had no assets or collateral to speak of. We were new to the area. We were young. We weren't married. And we had no business experience."
-- Jerry Greenfield

would cost, they guessed a reasonable selling price, and work backwards assuming 40% cost-of-goods-sold.

- A couple of months after opening, they put a sign on the door that said: "We're closed today so we can figure out if we're making any money" . Their accountant soon revealed they were making losses despite average sales of $650 per day . They ended their first year with double the projected sales, but no profit.
- In 1982, when Chico joined the company, Ben & Jerry's reported a loss of about $4,000 despite sales of almost $1 million. They finally setup a better accounting system in 1983. Despite tight cash flows, they were always contributing to the community.

Jerry and Ben **scrimped and saved**, always putting the business first:

- During the startup phase, they ate saltine crackers and canned sardines to conserve cash for the renovations. Even after the store opened, they survived on crepes and sundaes that customers left behind;
- To open their first shop with $12,000, they bought used equipment at a bargain. They also offered "ice cream for life" to their building contractor and plumber, and eventually to one of their customers in return for his live piano music in the store.
- By the end of 1980, they had more than $370,000 revenues and a profit of $33,000, but paid themselves only $8,000 per year.

Social Responsibility

At the core of Ben & Jerry's social philosophy is "linked prosperity" -the idea that a company shares its rewards with its community and employees. To bring this to life, they formalized 2 policies:

Corporate Donations. The company would commit 7.5% of its pretax profits to the Ben & Jerry's Foundation, a non-profit organization that funded projects for social change; and

The five-to-one salary ratio, which stipulated that no one in the company could earn more than 5 times what was being paid to the entry-level staff. To attract top management talent, this ratio was increased to 7-to-1 at the end of 1990.

KEY QUOTES

"So here were Ben and Jerry, in the midst of the rubble that was being transformed into what they fully expected to be their first and only outlet, trading the promise of free ice cream from a nationwide chain of stores that existed only in their plumber's mind, for a couple of hundred feet of copper pipe."

"We began to talk about the concept of 'linked prosperity' …What it meant was that as the company grew and prospered, the benefits would accrue not just to the shareholders, but also to our employees and the community."

Even when raising equity, they focused on giving back to the customers who had supported them. During their first IPO in 1984, Ben insisted on selling stock only to residents of Vermont (despite everyone's objections), with the goal to give their earliest supporters a chance to profit from their success. They also set the minimum purchase at 12 shares for $126 (despite administrative burdens), so more people could afford it.

Although Jerry and Ben initiated many successful social missions, these created tension within the company.

- For example, in 1988, Ben wrote to supporters about Peace Pops (his brainchild), making commitments on behalf of the company without prior consultation with the management team. The team was very upset, and the lack of internal alignment led to delays in the launch and other product and marketing issues which were costly to fix.
- Jerry and Ben finally realized that they had to help the rest of the organization to understand the mission statement. A meeting was held with all 300 employees to explain their mission, and to inspire employees to leverage on company resources to make an impact. This was a turning point, inspiring new social champions within the company and resulting in their most successful environmental initiatives.

By 1991, more than $1.5 million had been allocated to the Ben & Jerry's Foundation. What was most surprising was that none of the social programs had negative impact on the company's bottomline.

Growing Pains

For many years, there was no long-term planning at Ben & Jerry's. Decisions were made as and when new opportunities and problems surfaced. Ben also didn't want the company to grow too big (though being creative by nature, he'd inadvertently push for new products and ideas which propelled the company's growth).

For almost every year until 1988, the company was grappling with the construction of new facilities, cash flows and talent shortages:

- When the first store opened in May 1978, construction was still going on and they ran out of ice-cream regularly.
- In 1980 they expanded to the old-textile-mill, and by

KEY QUOTES

"The object of the in-state offering is to allow the average Vermonter the opportunity to invest in and hopefully profit from Ben & Jerry's – an ice cream company which the average Vermonter supported, made famous, and allowed to prosper."
- Ben Cohen

"Ben was always better working one-on-one than in big groups, preferring to do things his own way without discussing with everyone else."

"Most people suspend their values about contributing to society when they go to work…Its when we're at work that we're most powerful, because we're organized and we have the financial resources of the company behind us."
- Ben Cohen

It's not a question of making great ice cream, making some money, and then going and doing socially responsible things. Caring about the community has to be imbued throughout the organization so that it impacts every decision we make."
- Ben Cohen

the next year, they moved to a factory that was 4 times larger. Concurrently, they had to find the best way to fill pint containers, being the industry pioneers to sell in pints.

- Despite raising $2.5m in 1984 for a new plant, they had to raise money again the next year for even more, all the while struggling with teething problems and cost overruns for the first plant.

In all successful ventures, at some point the company's **entrepreneurial founders must hand the baton over to a management team.** By the late 1980s, it was clear that Ben & Jerry's had reached that stage of growth, but the transition was painful.

- Besides constant capacity shortage, the company's systems were not keeping up with its explosive growth. This included inadequate computer systems, loose financial controls, lack of training and procedures, and poor communication/ coordination. Ben & Jerry's was becoming more departmentalized, less connected, and employees no longer understood the vision, values and philosophy .
- For example, the management were having a heated discussion on production shortfalls (yet again) when Jerry and Ben marched in and announced they were starting a committee to focus on joy at work. **There was a disconnect** - Management felt the founders and Board had lost touch with reality, while Jerry and Ben felt that the company was losing its soul.

Finally, a Ben & Jerry's Mission Statement was developed in 1988, focusing on linked prosperity and breaking it down into 3 interrelated components - their product mission, their social mission, and economic mission. The all-staff meeting highlighted earlier played a crucial role in bringing people together .

- In fact, these **all-employee meetings** were useful for 2-way communication and joint decision making. Staff broke up into small groups to problem-solve on specific issues, allowing people take part in the decision making process. Stories were shared to reinforce the company's culture, values, and operating philosophy, and staff were recognized and celebrated for all sorts of accomplishments or contributions.

KEY QUOTES

"Working smarter, not harder, would have been an option, but no one know how."

"Ben and I had no long-term strategy plan for the business. Decisions were made incrementally, from month to month and summer to summer, as opportunities and problems presented themselves."

"One reason the transition in leadership was so difficult was that it was taking place at the same time that the company's values were being redefined."

"The environmental projects were the most successful actualization of the three-part mission to date…the idea had emerged from within the organization…and it proved, for the first time, what we could accomplish when everyone was headed in the same direction."

"Staff meetings were also the means through which we preserved and passed on the company's culture, values and operating philosophies."

Sales and Marketing

Ben & Jerry's marketing efforts were very much an extension of who they were – unpretentious, all-American, socially responsible and a little funky. This gave them a unique niche in the super-premium ice cream segment which, in the 1980s, was characterized by sleek, foreign-sounding brands.

Giving away ice cream had been a natural part of Ben & Jerry's:

- From the one-for-one promotion on their opening day, to the Free Cone Day every anniversary, Jerry and Ben just loved giving away ice cream;
- When they decided to enter the major markets (starting with Boston), most of the key players were spending a lot on TV advertising. Ben & Jerry's did the bare minimum (as expected by the major supermarket chains), but focused their resources on giving away free pints and spoons of their ice cream;
- When faced with direct competition from Steve's in 1986, Jerry and Ben responded with their cross-country scoopathon, which was highly effective in raising awareness for the brand.

Engaging with their customers was also a natural gesture:

- It was common for new ice cream flavours to be developed using customers' suggested ingredients, and some of their best-selling flavours (e.g. Chunky Monkey, Chocolate Chip Cookie Dough) came from customers' suggestions.
- Since the early days, Jerry personally replied to all customer mails and enquiries. As the volume grew, they hired help to craft personal responses to each letter, and Jerry still added a handwritten note to each reply. This built greater loyalty for Ben & Jerry's, though that was not the original intention.
- Under the new marketing head, they offered tours of their factory–a powerful way to educate & engage their visitors.

KEY QUOTES

"Some of what transpired at the staff meetings took on an air of tribal celebration."

"If Häagen-Dazs and the clones were worldly and elegant, we were funky and unpretentious. If they were slick and sophisticated, Ben & Jerry's was down-home and genuine."

"Giving away ice cream came to them naturally, and they did it without a premeditated calculation as to what the payback might be down the road."

"They had connected with their customers, who felt like they were an integral part of what was happening, not merely a source of revenue to some faceless businessmen…. There was a sense from the beginning that this was something special."
- Caryl Stewart
(leasor for the gas station)

Their **bold, personal and fun marketing approach** cut across promotions, IPOs and even in their Pillsbury campaign:

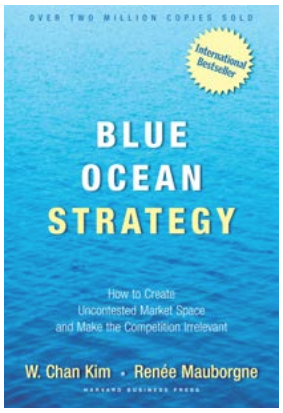
- For their Vermont IPO, they broke norms by running teaser ads that said "Get a scoop of the action!" and advertised a toll-free number for people to call for the Prospectus. Instead of using brokers and underwriters, they sold the shares via informational meetings around Vermont.
- When recruiting their new CEO in 1994, they launched a "Yo, I'm Your CEO" contest. Each applicant had to submit an essay on why he should be the new CEO. The 1st prize was the job, and the 2nd prize was membership in their "free-ice-cream-for-life club" .

Other Useful Details in the Book to Look Out For

It is impossible to replicate the vivid anecdotes and humour in the book, and there are many details in the stories that are entertaining and insightful at the same time. While we have tried to capture the key highlights and takeaways that can be applied in your work and business, nothing beats reading the book yourself . You can also get more updates and information at Ben & Jerry's official website.

KEY QUOTES

"We weren't aware of it at the time, but studies indicate that someone who has a problem with a company that the company resolves to their satisfaction is more likely to be a loyal customer in the future than a consumer who's never had a negative experience."



BLUE OCEAN STRATEGY

How to Create Uncontested Market Space And Make the Competition Irrelevant

by W. Chan Kim & Renée Mauborgne

THE BIG "SO WHAT"

Based on a study of 150 strategic moves spanning more than 100 years and 30 industries, the book provides a systematic approach to making the competition irrelevant, charting a "bold new path to winning the future".

UNDERSTANDING BLUE OCEAN VS RED OCEAN

Why bother with Blue Oceans to begin with? Essentially, they create new demand, leading to easy uncontested growth in sales and profits, and wider and deeper market opportunities in the unexplored space.

Here is how the Blue Ocean Strategy (BOS) differs from the conventional Red Ocean Strategy:

Blue Ocean Strategy

- Create uncontested market space
- Make the competition irrelevant
- Create and capture new demand
- Break the value-cost trade off
- Pursue low cost ***and*** differentiation

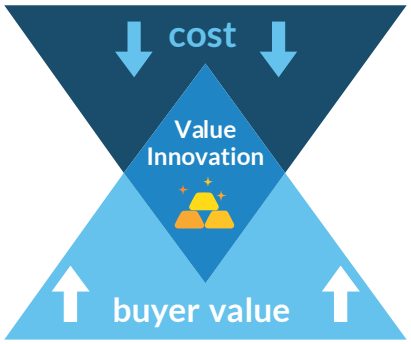
Red Ocean Strategy

- Compete in existing market space
- Beat the competition
- Exploit existing demand
- Make the value-cost trade off
- Pursue low-cost ***or*** differentiation

KEY QUOTES

"The only way to beat the competition is to stop trying to beat the competition."

VALUE INNOVATION



A cornerstone of the BOS is Value Innovation, which is essentially the area where a company's actions concurrently reduce costs and increases its value offering to buyers. The company saves costs by eliminating and reducing its investments in certain factors that its industry competes on. It increases buyer value by raising and creating new value elements not previously offered by the industry. The latter may mean a short-term increase in investment, but this will be addressed once economies of scale kicks in.

It is about creating a quantum leap in value for your buyers, thereby creating new and uncontested market place. This strategy needs to span across the entire system of a company's activities.

ANALYSING THE MARKET: TOOLS AND FRAMEWORKS

The following tools and frameworks are used across the formulation and execution of the BOS.

Strategy Canvas

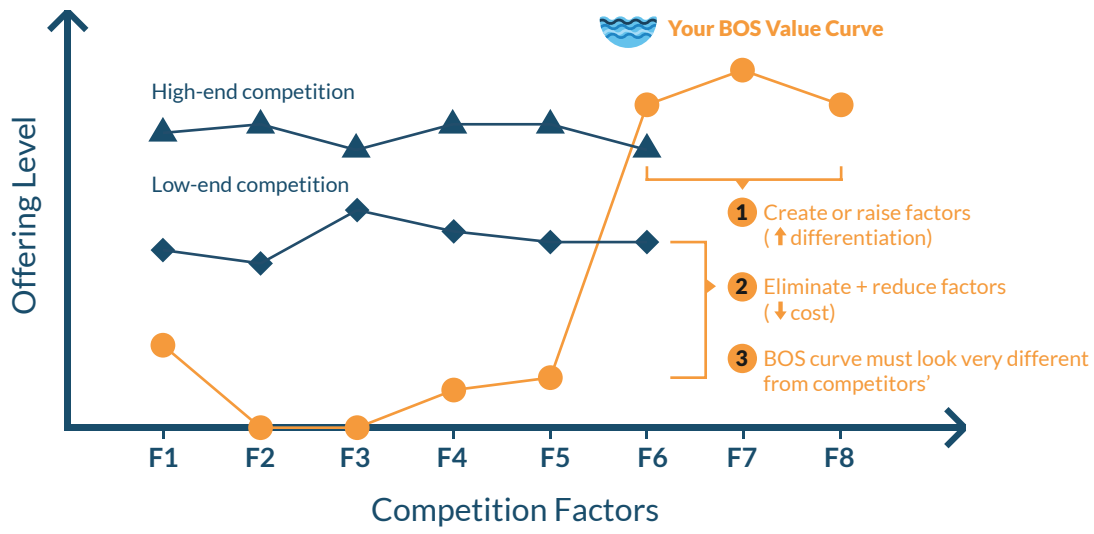
This is a tool to capture the current state of play in the marketplace, so you can understand:

- Where the competition is currently investing
- How the industry currently competes (in products, service, delivery)
- What customers receive from existing competitors in the market

KEY QUOTES

Value Innovation

"Instead of focusing on beating the competition, you focus on making the competition irrelevant by creating a leap in value for buyers and your company, thereby opening up new and uncontested market space…Value innovation is more than innovation. It is about strategy that embraces the entire system of a company's activities."



Your BOS strategy curve should:

- Look significantly different from existing competitors'
- Involve cutting back and/ or eliminating competition factors that were taken for granted in your industry (thereby reducing cost)
- Involve raising and/or creating new competition factors that your industry doesn't offer (thereby increasing differentiation)

The book also highlights 3 components of a good strategy:

1) Focus : Do not diffuse your efforts across all factors of competition

2) Divergence : The shape of your value curve looks totally different from other players'

3) Tagline : the tagline must deliver not only a clear message but advertise your offering truthfully

Four Action Framework and ERRC Grid

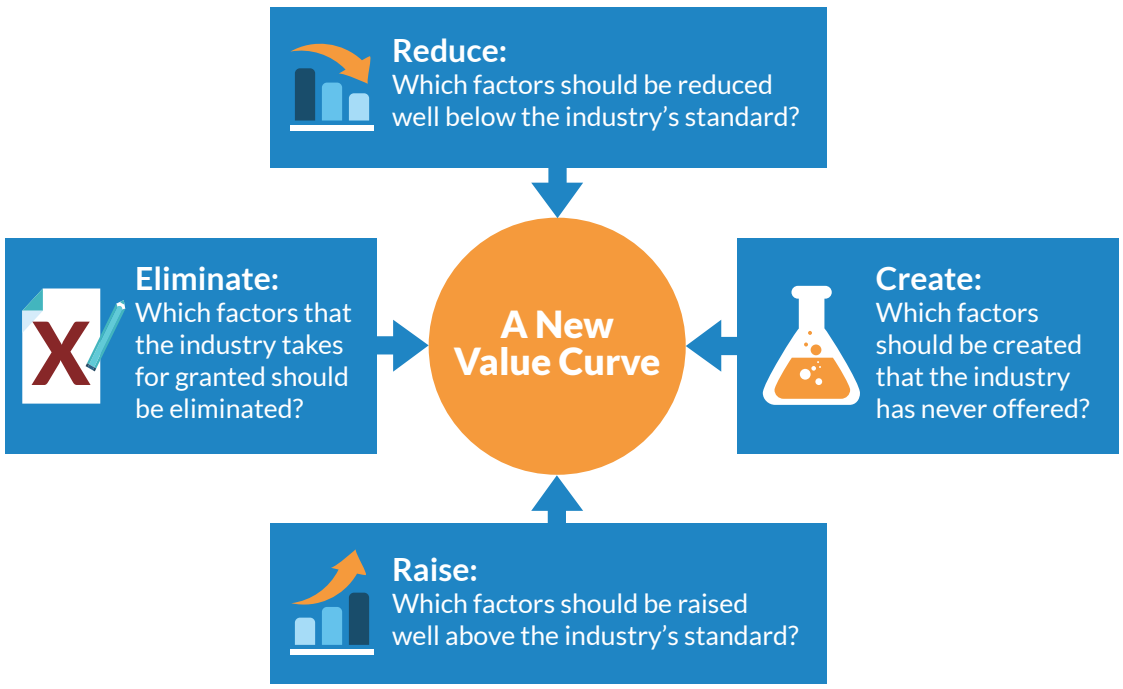
These 2 tools can be used in conjunction with the Strategy Canvas to develop a strategy that will create an uncontested market space.

The Four Action Framework is used to break the trade-off between differentiation and low cost to create a new value curve, using 4 key questions to challenge an industry's logic and business model:

KEY QUOTES

Strategy Canvas

"To fundamentally shift the strategy canvas of an industry, you must begin by reorienting your strategic focus from competitors to alternatives, and from customers to noncustomers of the industry… to gain insight into how to redefine the problem the industry focuses on and thereby reconstruct buyer value elements that reside across industry boundaries."



With this approach, companies can determine which product characteristics to increase or decrease focus on. Next, the **Eliminate-Reduce-Raise-Create (ERRC) Grid** pushes companies to specify the actions that they can eliminate and reduce, so they can communicate their strategy internally and take concrete action.

Eliminate:	Raise:
Reduce	**Create**

The Pioneer-Migrator-Settler (PMS) Map

Plotting your company's current and planned portfolios gives you perspective on your potential for growth. Your businesses or offerings fall into 3 key categories:

1) Settlers : Me-too offerings/ businesses.
2) Migrators : Offerings/businesses above market average.
3) Pioneers : Offerings/businesses of unprecedented value.

KEY QUOTES

Four Action Framework

"There are four key questions to challenge an industry's strategic logic and business model."

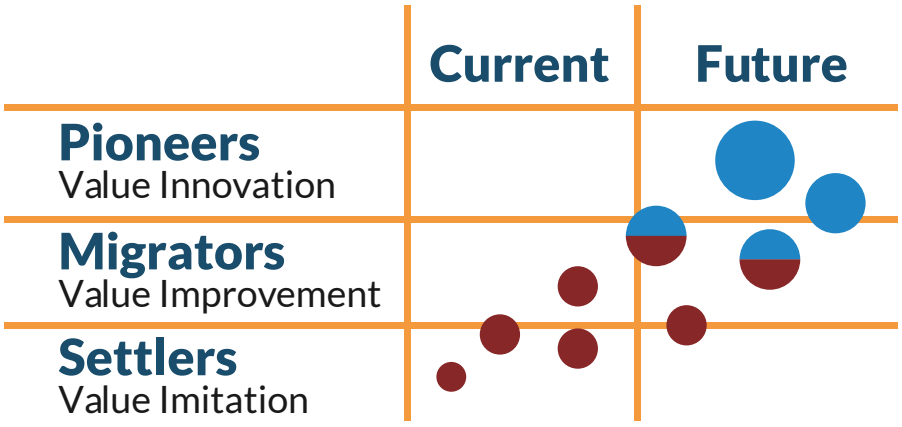
ERRC Grid

"The grid pushes companies not only to ask all four questions in the four actions framework but also to act on all four to create a new value curve."

PMS Map

"Senior Managers' goal here should be to manage their portfolio of businesses to wisely balance between profitable growth and cash flow at a give point in time."

Pioneers are drivers of your BOS and your most powerful sources of profitable growth, but settlers are frequently today's cash generators. Your goal is to have a balanced portfolio for current and future cash flow and growth.



The Buyer Utility Map

This map shifts the focus to buyers, helping to identify the utility spaces that a product or service can potentially fill. *The Buyer Experience Cycle (BEC)* outlines the 6 stages of buyers' experience, with a range of experiences within each stage. The *utility levers* cut across stages of the buyers' experience.

Managers can use the map to consider ways to offer new/different utility, and also ways to remove barriers that hinder conversion of non-consumers to consumers. Exceptional utility is achieved when the offering removes the greatest blocks to utility across the entire buyer experience cycle. This gives customers a compelling reason to use the product.

Six Stages of Buyer Experience Cycle (BEC)

Six Utility Levers	Purchase	Delivery	Use	Supple-ments	Mainte-nance	Disposal
Customer Productivity			●			
Simplicity		●			●	
Convenience						
Risk						
Fun & Image			●			
Environmental Friendliness						

● Current Industry Focus ● Blue Ocean Strategy

KEY QUOTES

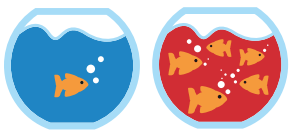
Buyer Utility Map

"To test for exceptional utility, companies should check whether their offering has removed the greatest blocks to utility across the entire buyer experience cycle for customers and noncustomers."

FORMULATING BLUE OCEAN STRATEGY: 4 KEY PRINCIPLES

1. Reconstruct Market Boundaries

Examine how the market is currently performing and competing, then create a strategy that is drastically different from the rest of the players. The book outlines 6 paths you can take to identify blue ocean opportunities and reconstruct your market boundaries:



Look across alternative industries:
These include products or services that have different functions and forms, but serve the same purpose.

Look across strategic groups within industries:
i.e. those pursuing similar strategies. Draw on the distinctive strengths from different groups and eliminate and reduce everything else.

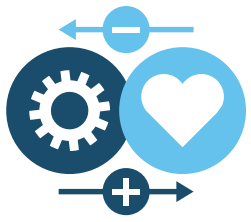
Look across the chain of buyers:
Consider whether your industry focuses on the purchasers, users and influencers of a product or service. Identify if there is potential to unlock new value by shifting the customer focus.

Look across complementary product and service offerings:
Identify the context in which your product is used, including what happens before, during and after your product is used. That can shed light on the pain points you can eliminate.

KEY QUOTES

Reconstructing boundaries

"To break out of red oceans, companies must break out of accepted boundaries that define how they compete."



Look across functional or emotional appeal to buyers:

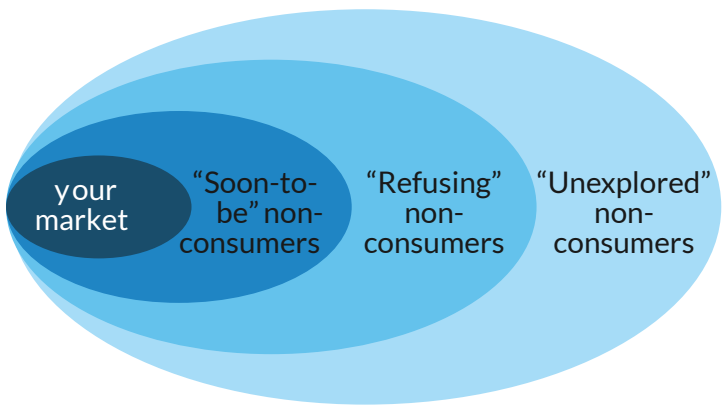
Consider how your industry competes primarily, then see if there are elements you can strip out of emotional appeal to compete functionally, or elements you can add to functional appeal to compete emotionally.

Look across time:

Identify trends that have a high probability of impacting your industry, are irreversible and evolving in a clear trajectory, and participate in shaping external trends over time.

2. Reach Beyond Existing Demand

To maximize the size of the blue ocean, you need to look to 3 tiers of non-consumers. Focus on the tier that represents the biggest catchment at the time, but also explore and build on overlapping commonalities that applies to different tiers of non-consumers:

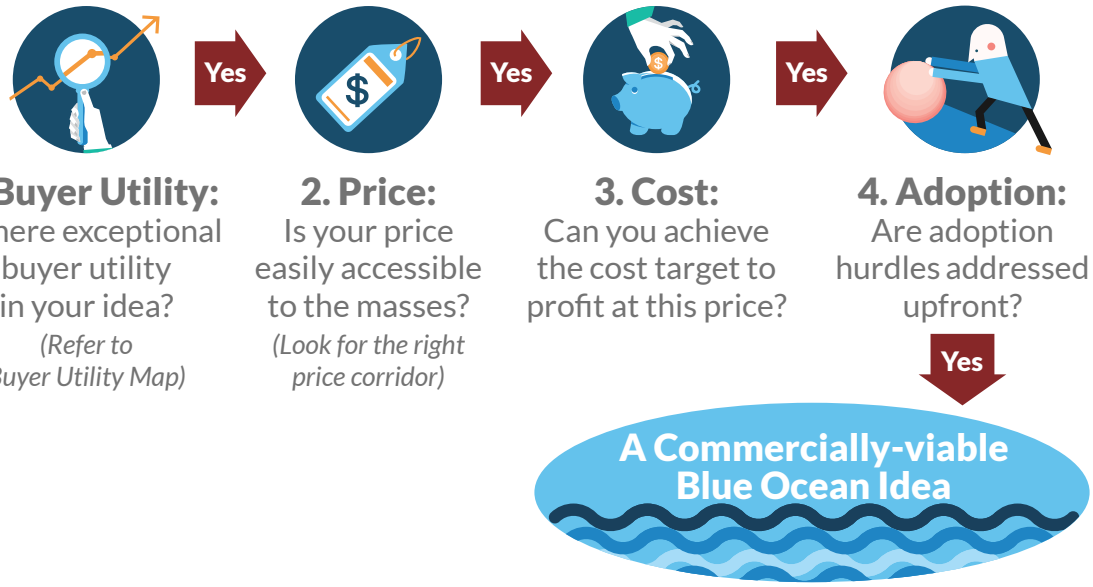


- *First tier* : *"Soon-to-be" non-consumers* who are at the edge of your market, waiting to jump ship
- *Second tier* : *"Refusing" non-consumers* who consciously choose against your market
- *Third tier* : *"Unexplored" non-consumers* who are in markets distant from yours

3. Getting The Strategic Sequence Right

There are 4 key steps that must be covered, to develop a robust strategy. If the answer is "no" to any of the steps, you need to re-work the strategy until the item is addressed:

KEY QUOTES



4. Focus On The Big Picture

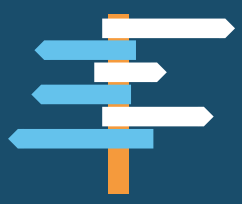
Visualize your Strategy to unlock the creativity of people within your organization, help them see the blue oceans, and communicate the strategy for effective execution. This includes 4 components:

VISUAL AWAKENING

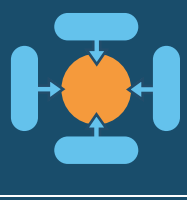
- Compare your business with your competitors by drawing your "as is" strategy canvas
- See where your strategy needs to change

VISUAL EXPLORATION

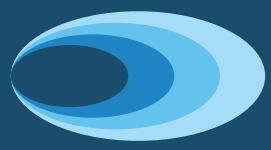
- Explore 6 paths to creating blue oceans



- Observe from the field distinctive advantages of alternative products & services

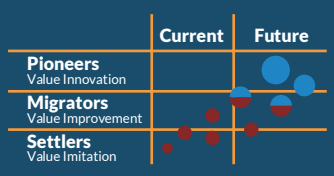


- See which factors you should eliminate, create or change

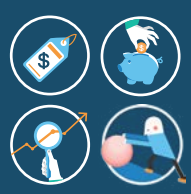


VISUAL STRATEGY FAIR

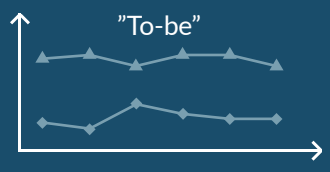
- Draw your "to be" strategy canvas with insights from the field



- Get feedback from customers & non-customers



- Use feedback to build the best "to be" future strategy



VISUAL COMMUNICATION

- Distribute your before-and-after strategic profiles on one page
- Support only those projects & operational moves that allow your company to close the gap to actualize the new strategy

KEY QUOTES

Visualizing Strategy

"By building a company's strategic planning process around a strategy canvas, a company and its managers focus their main attention on the big picture rather than becoming immersed in numbers and jargon and getting caught up in operational details."

EXECUTING BLUE OCEAN STRATEGY: 2 KEY PRINCIPLES

1. Overcome Key Organizational Hurdles

Because BOS represents a huge shift from status quo, the challenge of execution is amplified. The book recommends using the approach of "tipping point leadership" to overcome the 4 key hurdles to change:

Cognitive Hurdle (waking up employees to the need for change):

Rather than rely on numbers to convey the message, tipping point leaders focus on making people see and experience the harsh reality firsthand, in 2 ways:

a) Get managers to face the worst operational problems

b) Get managers to meet with their most disgruntled customers

Resource Hurdle (executing a strategic shift with fewer resources):

Rather than try to secure more resources, tipping point leaders focus on multiplying the value of the resources they have, in 3 ways:

a) Redistribute resources to hot spots

b) Redirect resources from cold spots

c) Horse-trade resources you don't need for those that you need

Motivational Hurdle (motivating key players to move fast and tenaciously):

Instead of trying to win over everyone, tipping point leaders focus on 3 areas of disproportionate influence :

a) Zoom in on Kingpins (key influencers)

b) Use fishbowl management for Kingpins (spotlight on their actions)

c) Atomize the challenge to bits that are relatable and attainable

KEY QUOTES

Tipping Point Leadership

"Tipping point leadership allows you to overcome these four hurdles fast and at low cost while winning employees' backing in executing a break from the status quo."

Political Hurdle (overcoming age and treachery): These can be overcome through 3 ways:

a) Leverage your angels

b) Silence your devils

c) Secure a consigliore in your top management team

2. Build Execution into Strategy

There will always be resistance to change, and much more so with BOS, as it pushes people out of their comfort zones and challenges past practices. To minimize the risk of distrust, non-cooperation and even sabotage, the book recommends a "fair process" in making and executing strategy. The Fair Process involves 3 "E Principles":

Engagement:
Involving individuals in the strategic decisions that affect them

Explanation:
Helping everyone involved and affected to understand why the decisions are made as they are

Expectation Clarity:
Stating clearly the new rules of the game after a strategy is set

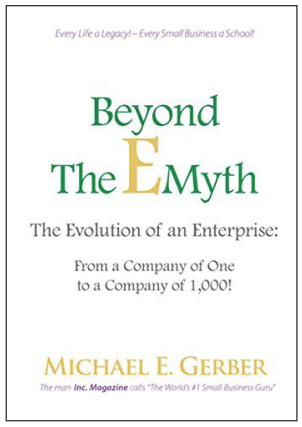
KEY QUOTES

Fair Process

"To build people's trust and commitment deep in the ranks and inspire their voluntary cooperation, companies need to build execution into strategy from the start."

OTHER USEFUL DETAILS IN THE BOOK TO LOOK OUT FOR

The book is packed full of great ideas, tools and frameworks, but the real-life examples and case-studies are what really brings them to life. The book covers examples of [yellow tail], SouthWest Airlines, Cirque du Soleil, NetJets, Curves, NTT DoCoMo, Home Depot, Ralph Lauren, Toyota, Novo Nordisk, Bloomberg, QB House, Apple, European Financial Services, Pret a Manger, IKEA, Swatch, and many more.



BEYOND THE EMYTH

The Evolution of an Enterprise: From a Company of One to a Company of 1,000!

BY MICHAEL E. GERBER

The Big "So What"

Most small businesses fail, and those that are profitable often rely on their founder to survive. Business owners put in years of hard work, only to end up with a job that they are stuck with. The solution is to build your business with the intent to sell it. Gerber's best-selling "The E-Myth" and "The E-Myth Revisited" focus on helping business owners to think differently about their business. This book takes it beyond the E-Myth to focus on how to start and build a scalable business that can be sold.

Introduction: Growing from 1 to 1,000

Most business owners start a business to make money, focusing on selling products/ services to generate income. However, the business remains dependent on the founder for survival, i.e. it's a "Company of One", and the owner is stuck with a job.

Ultimately, a successful business is not one that sells a lot of products or services; it's one that is such a great product in itself, that people want to buy the *entire business*. In short, your business is your primary product, and a great business is one that can scale without its founder.

You need not actually build a company of 1,000 employees, but you must demonstrate that your company has the *capability* of growing to 1,000 people and beyond. Building your business from this perspective means an entirely different business model, from the products/ services you offer, to the clients you serve and the way you operate. Rather than try to fix the company you already have, Gerber suggests that you apply his framework to a "NewCo", i.e. to create a new business that's designed from the onset to grow from a Company of 1 to 1,000.

KEY QUOTES

"It is easy to start a company. It is difficult to sell a company. If you don't consider your Exit Strategy from the beginning, you're simply creating a job for yourself."

"This book is going to teach you how to design, build, launch, and grow your company so that it can scale."

"If you own a small business, and if your business depends upon you to survive, it's what I call 'a Company of One.'"

"The sad and tragic story of most small business owners when their business comes to a close is that… so does their life!"

"Unless you start your business with the intention of selling it, it will almost always turn out to be a disaster."

For this to work, you as the business owner must meet a few criteria:

- Your **passion** must be stronger than your excuses, fears and inertia.

- You must be **teachable**, willing to learn and try new ideas. Even if you've heard a concept before, refrain from dismissing it too early as a cliché. Until you've personally lived/ experience the concept, you don't really know it.

- The journey to exponential growth is a step-by-step process. It's not easy, and it won't happen overnight. To succeed you must be **committed** to stick to the end.

This summary organizes the ideas and examples in the book into 5 parts, mirroring the 5 steps to grow from a Company of 1 to 1,000.

Part 1: Why Do You Exist?

To stand out from the crowd, you must be able to answer this question, "What does my company exist to do, and why?" This will encompass your Dream, Vision, Purpose and Mission (elaborated below).

Since the inception of the E-Myth paradigm in 1977, Gerber has worked with more than 100,000 small business clients. He realizes that most of these business owners are functioning like technicians, working in their business like how they would in a job. To make the switch and start working on their business, they need to awaken the entrepreneur in them. Every entrepreneur is not just one personality, but 4 personalities rolled in one: The Dreamer, Thinker, Storyteller, Leader. Combined, they hold the answer to the key question above.

The Dreamer and The Dream

In every entrepreneur, there's a Dreamer with a Dream. Your Dream is the **great outcome** that your company will create.

KEY QUOTES

"Everything is a cliché… until you live it… when you experience them, they cease being clichés. They're what's called, instead, life."

"You've got to be a stayer if you're going to be a player."

"From its very beginning… you (must) intentionally and consciously and audaciously design, build, launch, and grow your company as if you intend to franchise it."

"Your buyer isn't looking for the company you are today. Your buyer is looking for the company you'll become in the future."

"A true entrepreneur's Dream is not personal. It's impersonal. It's not about the Dreamer; it's about the consumer."

- The Dream is not about what you want personally (e.g. your desired lifestyle, amount of wealth. **It's *all* about your customers**– who they are, the pains that they face, the cause of the pain, and how things will be like when your company excels at solving the pain.

- In expressing your Dream, you must consider **2 sets of customers**:
  - The *strategic customers* who will buy your company; and
  - The *retail customers* who will buy your products/ services.

  When buyers evaluate a company, they have their own exit strategies in mind (e.g. going for IPO, getting the company acquired or growing it as part of their business). Your strategic customers are most likely to be companies that share your customer base, and can realize huge value by incorporating your solutions with their own businesses. Focusing on these customers helps you to build the right company that serves the right customers, with the right solutions.

- **How do we find the dream?** Well, we all have the Dreamer in us –we just need to step aside and allow the Dreamer to express him/herself.
  - The Dream often surfaces in an unplanned fashion, as a flash of inspiration or intuition. This happens when our mind is *open and receptive*, like an open channel or door. Unfortunately, most of us are constantly caught up in the daily grind, and distracted by irrelevant information/ clutter. Only by putting aside what you know (or think you know), can you truly discover and create something new.

  - To help small business owners to discover their dreams, Gerber designed *The Dreaming Room*™. Over 2½ days, business owners literally rediscover themselves with a blank sheet of paper, and a "beginner's mind", answering fundamental questions like: "Who am I?", "Why am I here?", and "What do I *really want*?".

  - Gerber found that *everyone* has one thing they stand for, e.g. love, spirituality, personal responsibility. It calls to us personally and specifically, for reasons we cannot define. It's the *essence* of who you (The Dreamer) are. Hence, your Dream is a part of who you are, and it powers your Vision, Purpose and Mission.

KEY QUOTES

"Unless… you have a clear picture of who's going to buy your company, you will more than likely spend years going after the wrong retail consumer, with the wrong product, and end up creating the wrong company."

"How you start NewCo will determine how you end NewCo."

"(The Dream)…happens right now, not in the future. It's a state of being, a presence, not a pursuit of something."

"They were accessible to what 'came to them.' They were literally an open door. A clear channel."

"Our job was to get out of the way of The Dreamer within… (so we could) fulfill the promise we had each, knowingly or unknowingly come to fulfill."

"Before we discovered our Dream, we first… had to discover (or uncover, or recover) our Dreamer."

The Thinker and The Vision

To manifest your Dream, you need a Vision, and in every entrepreneur there's also a Thinker with a **Vision** - the form your company must take (including how it how it thinks, acts, and looks), to deliver that great outcome of your Dream.

Rather than learn everything from scratch, it's more effective to model a proven system - a real-life company that has (a) already delivered similar end results, and (b) has a turnkey capability to predictably deliver those results again and again. Gerber cites McDonald's as one of the best references.

The idea is not to copy the model company exactly, but to learn what works, and adapt them for your desired outcomes. A vivid Vision helps you to visualize in detail the Franchise Prototype you must build. Your end-goal is to build a scalable company, by having a model that anyone can duplicate in a predictable way.

The Storyteller and The Purpose

In each entrepreneur, there's a Storyteller with a Purpose. Your Purpose is the **big result** that you'll deliver for your most important customer ("MIC"); it's the story of why your company is valuable.

When you share your story, people will listen from different perspectives and respond differently - they may love it, hate it, or totally not grasp it. Yet, someone who loves your story may not take action, while another person who's clueless may resonate with it in future. You can't predict who'll be your MIC; just share your story with passion to anyone who'll hear it.

Telling your Story serves 2 objectives:

- It spreads your Dream/ Vision; and
- It stimulates your imagination, to give you a bigger vision and new possibilities you may not otherwise see.

It's important to remember that the Storyteller tells the story, not sell it. A great story touches its audience's mind and heart, and the way to do so is to focus singularly on **one core frustration**. To get inspiration on how to express your dream with passion, watch Dr. Martin Luther King's "I Have a Dream" speech.

KEY QUOTES

"You must first see what you're about to create, if you are ever going to be able to actually create it. And, of course, both must happen if you are ever going to be able to sell it."

"The intensity with which you impress your subconscious with a picture of your plan directly affects the speed with which the subconscious will go to work to attract the picture's physical counterpart by inspiring you to take the right steps."
- Napolean Hill

"Your Story has got to address one thing, and only one thing."

The Leader and The Mission

Finally, every entrepreneur has an inner Leader, who's on a Mission to bring the Dream, Vision, and Purpose to life. Your Mission is the **turnkey operating system** that makes it possible for your company to operate successfully. "Turnkey" is basically the opposite of randomness – it affects your ability to repeatedly deliver and duplicate your success.

In Parts 2 and 3, we'll take a closer look at your turnkey systems, including Client Fulfilment, Client Acquisition, Management and Leadership.

Putting it Together

In the book, Gerber elaborates on the E-Myth journey since 1977, using it as a case study to inspire our own Dream, Vision, Purpose and Mission.

For Gerber and E-Myth, the big "Why" is as follows:

- **Dream:** "To transform the state of small businesses worldwide."
- **Vision:** "To invent the McDonald's of small business consulting". Specifically, the E-Myth vision is to have such a well-orchestrated consulting system that any novice can be coached to deliver a scalable business.
- **Purpose:** "To provide every small business owner with the ability to succeed, just like the McDonald's franchise does".
- **Mission:** "To invent the turnkey Business Development Operating System essential for every small business company to operate as effectively and efficiently as the most successful of companies do. All at a cost any small business owner could readily afford."

Recall that you have 2 sets of customers: your retail and strategic customers. Knowing your intent helps you to define your potential buyers, and package your company to make them fall in love with it. For example, the potential buyers of a small-business consulting franchise like the E-Myth are: Intuit, Microsoft, Gallup Organization, or companies that incubate or fund start-ups.

KEY QUOTES

"Your Dream gives it energy. Your Vision gives it form. Your actions give it the life needed to produce it in reality."

"The System runs the business, and the people run the System!"
- Ray Kroc, McDonalds

Part 2: Client Fulfilment System

Uncovering the Truth

Many of us have become dependent on technology (like calculators, mobile apps, social media) to do much of our thinking and connecting for us. We've learnt to rely on data and numbers, and stopped asking important questions like "Who are you?", or "What's causing this pain and how can we solve it?"

To build a great company, your biggest job is to think – get to know your customers better than they do, so you can offer them solutions they can't find themselves. From Part 1, we've developed a rough idea of your exit strategy, customers and desired outcome. Now, you must start working on your company, by talking to your customers and asking questions (but *not* selling to them).

Specifically, your goal is to establish who your customers really are, why they behave the way they do, what are their key frustrations, what they do to cope, and what's the underlying cause for these frustrations. To deliver a promise that deeply impacts them, you must uncover the problems beneath their frustrations. Ask yourself, "What's missing in this picture?"

For example, the E-Myth started in 1977 as Michael Thomas Corporation (MTC, a collaboration between Gerber and his partner, Thomas). They called every small business owner in their area, explained their research goals, and made appointments to speak with the owners. They asked about the most difficult problems for the owners, how these showed up in the business, and what solutions had worked so far. They then invited the owners to a free meeting to address these frustrations.

Through these sessions, they discovered that the underlying problem for small business owners was this: they were essentially technicians (e.g. accountants, designers) who had specific skillsets, operated their businesses like a job, and thus limited their own ability to expand. They were not behaving like entrepreneurs; they were "technicians suffering from entrepreneurial seizures".

Narrowing the Gap

Once you've found the underlying cause and solution, your goal is not to give your clients the answers. Instead, help them to find the key to their core problem, i.e. help them to *pinpoint their gap*. It's

KEY QUOTES

"Our power to think is being rapidly deteriorated…Use it (our minds) or lose it has become a reality today."

"Your credibility is measured according to the model you're using."

crucial to develop a *measurement or metric* for whatever model or system you create. This sets a context for your relationship with your most important customer, and allows you to demonstrate that their gap is being narrowed (with verifiable results).

Going back to the E-Myth example: having identified the problem, MTC's next task was to create a system that could help their clients to make the switch from technicians to entrepreneurs, e.g. focus on equity (not income), define their reason for existence (not solve day-to-day problems).

They developed the "Needs Analysis Process" – an entirely-scripted process, which was used by their senior marketing associates to engage clients-to-be. The business owners were systematically taken through 6 progressive stages or benchmarks, until they realized they had gaps and missing systems they had to plug. This process allowed clients-to-be to experience a "live demo" of a system at work, and reinforced the business model and promise that was defined earlier for MTC. The Needs Analysis also comes with a checklist of systems that a business requires – by revisiting the checklist, the client can see how far the gap has been narrowed.

Capturing the Process

Initially, you'll need to work both ***in*** your business (calling/ meeting/ talking to people to understand them and what it takes to fulfil your dream) and ***on*** the business (improving and coding the processes). This is a rigorous process of documenting *everything* - including the visual, emotional, functional and financial components of your company - to show how you think, do, and grow as a business. When complete, your Client Fulfilment System has all the "how-to" manuals in place, to deliver the promise to your most important customer, as defined in your Dream, Vision, Purpose, and Mission. You're now ready to grow your company.

Part 3: Client Acquisition System

In this phase, your goal is to ensure there are enough potential customers for all the franchise companies you'd want to replicate.

Compelling Story

Acquiring customers goes beyond manipulation, persuasion or sales transactions. It's about *moving* people with your compelling Story.

KEY QUOTES

"Your job is to help (your clients-to-be) discover the answer to the main underlying problem they have... to help them identify their gap."

"The point of Client Acquisition is not to make a sale. The point of Client Acquisition is to make a true believer."

- Unfortunately, there's no magic formula for your Great Story. You can't blindly follow the standard formulas from "marketing gurus", or you'll just sound like every other company.

- A Great Story comes when you persistently seek the truth, putting your customers' needs above yours. Consider Steve Jobs, Ray Kroc, and Richard Branson – they're all brilliant businessmen, yet what draws people to them are the fact that they are much bigger than their businesses. Your story is not a marketing pitch, but serious work that stems from a real calling.

How do you go about crafting this story?

- You must first probe deeply to find what's truly missing, the price that your clients are paying for it, and the truth that your story will reveal. Your work in Parts 1 and 2 is the foundation for your story.

- Then, start with a blank sheet of paper (literally), and just allow the story to flow. Focus on your audience, presenting the truth about their needs and underlying problems. Don't worry about grammar, structure etc. Allow the story to flow from and through you.

KEY QUOTES

"(Your Great Story) will only come to you when you take your audience more seriously than you take yourself."

"A Great Story lives within the truth it reveals."

Acquiring Clients

Leads Generation (attracting people to you). This includes: identifying your best customers, finding them, and having them say (via a click, email, or response), "I'd like to know more".

Leads conversion (making them customers). This primarily involves needs verification and the offer for your solution. Gerber advocates that you establish a sound Client Fulfilment System (including production and delivery), before building your Client Acquisition System. Otherwise, you won't be able to convert the clients that you painstakingly attract into long-term customers.

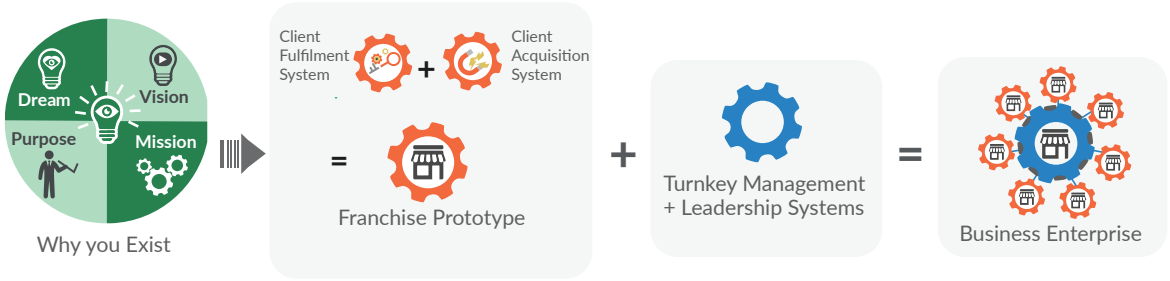
Gerber advocates that you establish a sound Client Fulfilment System (including production and delivery), before building your Client Acquisition System. Otherwise, you won't be able to convert the clients that you painstakingly attract into long-term customers.

Your Franchise Prototype is what you must build to demonstrate that your company can grow from 1 to 1,000. It allows you to work *on* your business and your life (not *in* it), so you can see the bigger picture of how you can create value and a legacy that can change the world.

Part 4: Turnkey Management System

Geber defines a business as the sum of up to 7 turnkey practices, powered by a turnkey Management System. Assuming you've completed all the parts above, you're now ready to replicate your Franchise Prototype, and develop a system to manage all the component parts.

Specifically, your Client Fulfilment System functions as the hub of your business wheel, while your turnkey Management System is the supporting software which empowers every person/ role to function smoothly, to keep the hub and spokes spinning.



The turnkey Management System acts as the glue to enforce your brand and hold the pieces together, so things don't fall apart. It includes 4 key components:

Innovation. Put in place a leadership system that encourages people to constantly find better ways to do things;

Quantification. Test / measure results from innovations to assess if they are working (e.g. customer responses, conversion ratios);

Orchestration. Once an innovation works, document what is done and how, so you can integrate it into your systems and equip anyone to deliver the improved results; and

Continuous improvement. Every innovation eventually

KEY QUOTES

"We were all born… to create the world. And the way we do that… is to go to work ON our lives, not just IN our lives."

"If there's a way of doing something, there's a better way of doing something."

"Every company is a school… for… the people it attracts, hires, inspires, teaches, trains, coaches, and mentors, to become masters at everything they are expected to do."

becomes dated, and the only way to stay ahead is to continuously improve and grow. Treat your company like a school, with opportunities for your stakeholders to learn and improve with each iteration.

Part 5: Turnkey Leadership System

In Part 1, we covered how the Dream, Vision, Purpose and Mission stem from who you are. It forms the DNA of your company and enterprise. To lead, you must inspire, which requires that you are first inspired by a higher calling. The turnkey Leadership System in turn inspires every person in your organization to discover the leader in themselves.

Such leadership is manifested in several ways:

- The company's Great Story is built on such profound truths and passion that everyone knows it, believes in it, and can **retell the Story** with their own perspectives and flavour.

- There is so much conviction in the company's vision, and such deep understanding of the organization and customers, that the leader can practically **foretell the future** with certainty.

- The leader is sensitive to the flow of energies and the company's **evolution**, and repositions resources effectively.

- The leader **listens** to both expressed and hidden messages, and is sensitive to both the verbal and non-verbal cues, to know when the Company has fallen out of sync with its core Purpose.

- The leader has **defined standards** (which are aligned with the Dream, Vision, Purpose Mission) and lives by them.

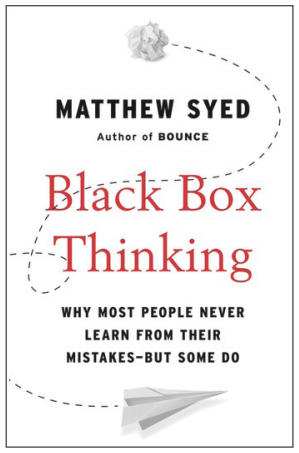
Other Details in the Book to Look out For

This is more of a conceptual than "how-to" book. Gerber uses the EMyth journey as a case study to show how the company evolved from the early stages of founder-driven information-gathering and prototyping to the systems today. The book ends with a promotion of "The Program", which will take you through the process outlined in this book, to identify your Dream, Vision, Purpose, Mission, and grow your enterprise from a Company of One, to 1,000 or more. For more details, please visit emyth.com.

KEY QUOTES

"This purest manifestation of inspiration is not driven by some obligation to be 'good', for gain or reward, but rather as a calling, invisible such as that might be."

"Your company is the product you're creating to produce the legacy of your life."



BLACK BOX THINKING

Why Most People Never Learn from Their Mistakes—But Some Do

MATTHEW SYED

The Big "So What"

Everyone makes mistakes. It's how you respond to those mistakes that'll determine whether you succeed or fail in the long term. Specifically, your ability to learn from failures decides whether you repeat the same errors or use them as building blocks to move toward success. This book explains how to harness the power of failure to grow, improve and succeed.

Introduction

To learn from failures, you need the **right systems and mindsets**. This is exemplified by the aviation industry and its progressive approach to failures:

- There're *2 black boxes* on an aircraft: one that records mechanical information (e.g. fuel levels), and another that records sounds in the cockpit (including the pilots' conversations). During accident investigations, these black boxes provide holistic, unbiased information to uncover what happened, so corrective measures can be taken to prevent future accidents.

- Pilots are typically rewarded (not penalized) for reporting mistakes. Accidents are investigated in depth and insights are shared throughout the industry to facilitate *learning and improvement*.

In this book, Syed examines case studies from many domains and industries—from healthcare to aviation, non-profits and sports—to show why some people/organizations fail to learn from mistakes while others use them to improve and succeed. In this summary, we've organized the key ideas in 2 parts:

KEY QUOTES

"If we wish to fulfill our potential as individuals and organizations, we must redefine failure."

"Learning from mistakes relies on two components: first, you need to have the right kind of system—one that harnesses errors as a means of driving progress; and second, you need a mindset that enables such a system to flourish."

- Why we must redefine failures; and
- How to learn from mistakes.

Part 1: Redefining Failures

Why We Avoid and Deny Failure

In any society, there's a tendency to avoid failures, especially when our self-image and professionalism are at stake.

Cognitive dissonance. We feel conflicted when our beliefs or self-image are threatened by our failures. In such cases, we can either (i) accept our mistakes, re-evaluate and adjust our thinking/actions, or (ii) try to protect our ego by denying the error and twisting the facts. Most people tend to adopt the latter. Research shows that we may even erase such failures from our memory. The greater our personal stakes, the more likely we'll experience failure-denial. That is why professionals (whose self-identity and image are strongly tied to their work) often find it hard to admit to their mistakes.

- In 1987, Jimmy Bromgard was convicted of rape and sentenced to prison for 40 years. 13 years later, new DNA tests proved that the crime scene DNA did *not* match Bromgard's, i.e. he had been wrongly convicted. The prosecutor for the case refused to accept the new evidence, since it'd mean that he had made a huge professional mistake in the past. Instead, he came up with many reasons to refute the DNA results, including absurd alternatives (e.g. Bromgard was a chimera with 2 blood types).

- In 2003, the U.S. invaded Iraq on the basis that the latter possessed weapons of mass destruction (WMD). Even when it became clear that there was no WMD in Iraq, more than half the Republicans denied the evidence and insisted that they believed the WMD had been found.

KEY QUOTES

"We cover up mistakes, not only to protect ourselves from others, but to protect us from ourselves."

"The more we have riding on our judgments, the more we are likely to manipulate any new evidence that calls them into question."

"When we are confronted with evidence that challenges our deeply held beliefs we are more likely to reframe the evidence than we are to alter our beliefs."

- In 1954, a cult claimed that the world would end in a flood on 21 Dec 1954, and an alien spaceship would arrive to save believers. Cult members quit their jobs and devoted themselves to spreading the word. When the doomsday hour passed with no flood or spaceship, the members refused to admit their mistake. Instead, they claimed that they had saved the planet with their faith, and went on to recruit even more members.

Such examples may sound ludicrous, yet we don't realize it when we ourselves are thinking and acting in the same way.

A related psychological bias is the **confirmation bias**: we tend to look for facts that confirm our views and filter out the rest.

- In an experiment, volunteers shared their views on capital punishment before they were given 2 reports—one with strong evidence *for* capital punishment and the other with strong evidence *against* it. After reading the reports, volunteers *stuck to their original views*—they cited only evidence from the report that supported their views and dismissed the evidence in the other report as flawed.

- The more *experience or expertise* we have in an area, the more entrenched we become in our beliefs and perspectives, and the more we resist conflicting evidence.

Anticipating and avoiding blame. We're all prone to the fundamental attribution error, i.e. we tend to assign blame to people instead of situational factors. When things go wrong, we're quick to blame others. This keeps us from considering the complexities of a situation, blocks us from identifying the real causes, leads people to hide their mistakes, and hurts those who're unfairly blamed. Everyone loses as a result.

Culture. When cognitive dissonance and blame-avoidance becomes the norm, people don't even *realize* that they're evading their errors. As a result, honest and well-meaning people may end up perpetuating the very problems they seek to solve. For example, in most hospitals, it's taboo for junior staff and nurses to speak up against senior staff and doctors. Errors are rarely disclosed because of (i) a fear of backlash, and (ii) because the medical staff genuinely don't know that they've erred. Medical errors are often

KEY QUOTES

"Intelligence and seniority when allied to cognitive dissonance and ego is one of the most formidable barriers to progress in the world today."

"The most effective cover-ups are perpetrated not by those who are covering their backs, but by those who don't even realize that they have anything to hide."

reframed as “one-off accidents” or “complications” instead of being properly examined. Thus, the same errors get repeated over and over, leading to millions of preventable deaths and tragedies.

Why We Avoid and Deny Failure

Failures tell us that there’s a gap between our expectations and reality. They offer valuable information about what went wrong and how we can adjust our assumptions and approach.

There are 2 types of mistakes:

- Mistakes that occur because we *don’t know the answer* (e.g. a pharmaceutical company trying to find a drug for a disease); and
- Mistakes that we make even though we *know the answer* (e.g. a surgeon forgetting a standard procedure in a surgery).

In either case, the ability to learn from mistakes is crucial for future successes.

Specifically, **we can approach failures in 2 ways**:

- In *closed-loop systems*, people do not learn from failures. Data from errors are ignored, and the same mistakes get repeated over and over, often unknowingly.
- In *open-loop systems*, data from failures are collected, examined and the resulting patterns/insights are translated into practical learning points to facilitate system-wide improvements.

Your approach to failure determines your outcomes. This can be seen in the contrast between the **healthcare and aviation industries**.

- As of 2013, there was only 1 aviation accident per 2.4 million flights for Western-built jets. On the other hand, there were so many people dying from preventable medical errors that it was equivalent of two B747 aircraft crashing daily.

KEY QUOTES

“Failure is…a signpost. It reveals a feature of our world we hadn’t grasped fully and offers vital clues about how to update our models, strategies, and behaviors.”

“When people don’t interrogate errors, they sometimes don’t even know they have made one.”

- Elaine Bromiley died from brain damage after what was supposed to be a routine operation. When her husband Martin tried to find out what happened, he was told that such inquiries weren't done in healthcare, and Elaine's death was an unexpected complication that couldn't have been avoided. In reality, Elaine had trouble breathing after the anaesthesia was administered. The doctors couldn't diagnose the cause and got so preoccupied with trying to insert a tube down her airways that they didn't hear a nurse's suggestion for a tracheotomy which could've saved Elaine's life. Martin finally secured an investigation which uncovered many areas for improvement, and led to recommendations that helped save many other patients' lives.

- By contrast, the crash of American Airlines' Flight 173 in 1978 was investigated in depth as a norm in the aviation industry. This led to the development of NASA's Crew Resource Management procedure, which was tested, refined, and shared with all airlines to help improve their crew communication and crisis management skills. The number of aircraft accidents fell significantly since the 1970s, and countless lives were saved due to those new processes.

In reality, failures are essential building blocks to success.

- In any competitive sport or craft, you can only gain mastery through *repeated practice*. Football legend David Beckham started practicing kick-me-ups since he was 6 years old, trying to keep the ball in the air as long as possible. After 3 years of daily practice (and lots of trial-and-errors), his kick-me-up record increased from 5 to 2003. He then moved on to practicing free kicks, doing tens of thousands of practice kicks (and refining his techniques with each failure) to master his technique.

- However, practice is only effective with *instant feedback*, e.g. Beckham could only refine his kicks based on the results of his previous attempts. In situations with delayed feedback—e.g. radiologists diagnosing tumors or psychotherapists treating mental illnesses—it's much harder to learn what truly works.

KEY QUOTES

"Learn from the mistakes of others. You can't live long enough to make them all yourself."
—Eleanor Roosevelt

"If a culture is open and honest about mistakes, the entire system can learn from them. That is the way you gain improvements."

"This is the paradox of success: it is built upon failure."

"Feedback, when delayed, is considerably less effective in improving intuitive judgment."

- *Science* is a great example of a discipline that systematically uses mistakes to make progress. Scientists are constantly testing their theories to confirm what they know, while seeking contradicting info that can disprove their theories. For example, if you only conduct tests at low altitudes, you may conclude that water boils at 100°C. However, the statement "water always boils at 100°C" will be disproved once you conduct tests at a higher altitude.

The good news is, with the right systems and mindset, any person or organization can start to **learn from mistakes**.

- To reduce preventable medical errors, Dr. Kaplan introduced a Patient Safety Alerts system at Virginia Mason for the hospital staff to report mistakes. Initially, very few reports were made due to the deeply-entrenched culture.

- The wake-up call came when an old lady died in 2004 after being injected with a wrong substance. As people started to report mistakes (and were praised instead of penalized), the culture began to shift. By the time this book was published, about 1,000 alerts were reported each month, allowing errors to be addressed and prevented. For example, texts were added to color-coded wristbands after the crew realized that they didn't work for color-blind nurses. Liability insurance premiums fell 74% and by 2013, Virginia Mason was rated one of the safest hospitals in the world.

Part 2: Learning from Mistakes

Closed loops are usually sustained by (i) people hiding their mistakes, (ii) reframing/justifying their errors, and (iii) interpreting data in a biased way. In this section, we'll explain how to overcome these challenges. Specifically, black box thinking is about cultivating 2 crucial components to empower people to learn from failure:

KEY QUOTES

"By finding the places where a theory fails, we set the stage for the creation of a new, more powerful theory."

- The right systems where mistakes are used to drive progress; and
- The right mindsets to support these systems.

Developing the Right Systems

In complex environments, it's impossible to know everything, and you'll inevitably encounter failures and mistakes. Instead of pretending that you're infallible or all-knowing, acknowledge your limits and build failures into your processes. Develop sound theories/plans, then test and evolve them using real-world feedback and control groups.

Cumulative selection is about using trial-and-error to test many alternatives, weed out failed options that don't work and refine viable solutions that can work. To succeed, the lessons and insights from each round of experimentation must be passed on to the subsequent rounds.

- This mirrors Nature's *evolutionary process* where only the strongest organisms survive to pass on their genes. Unilever used this approach to fix a malfunctioning nozzle in its detergent manufacturing factory. The team mimicked the process of natural selection to randomly test 10 nozzle design variations. They then replicated the best variation for the next batch of 10 design variations. After 45 rounds of tests (and systematically discarding 449 options), they had a significantly superior nozzle design.

- This approach explains why *free market economies* are so much more efficient than centrally-planned economies. In free markets, only viable businesses survive and their models/ideas are replicated by other companies. This form of "cumulative adaptation" allows only the survival of the fittest.

To succeed, you still need strong theories and concepts. The key is to test your assumptions by **seeking real-world feedback**, as early and frequently as possible.

KEY QUOTES

"Evolution as a process is powerful because of its cumulative nature."

"Markets work not in spite of the many business failures that occur, but because of them."

- Technologists often use the *Lean Startup approach*. Instead of trying to build a perfect product from the onset, they create a "minimum viable product" (or MVP), test it with real customers, then use the feedback to adapt the solution until they have a commercially-viable product. This approach combines top-down theories with bottom-up inputs, using an iterative approach to test, learn and improve.

- When Steve Jobs wanted to launch *Apple's retail stores*, he started by testing the retail concept in a warehouse. It took several revamps to arrive at a viable concept. He then opened 2 stores to test and refine the concept further. Finally, after rounds of feedback and changes, Apple rolled out its proven retail concept nation-wide.

- When *Dropbox* founder Drew Houston was developing his cloud storage business concept, he started by releasing an MVP—a video demonstrating how Dropbox would work. This allowed him to test if people were interested in the concept before he even wrote a single line of code. Thereafter, he secured the funds and built the program, using iterations to incorporate users' feedback.

Data, when analyzed out of context, can be misleading. To ensure that you're interpreting data meaningfully and accurately, conduct **randomized control trials (RCTs)** to test the counterfactual.

- For example, if your sales increased after you changed an offer on your website, you may think that the offer worked. In reality, the spike in sales could've come from an influencer recommending your product. If you had tested your website across 2 randomized groups—1 with the old offer and 1 with the new offer—you may have found the old offer to generate even more sales.

- Scared Straight was a TV program from the '70s that exposed delinquent teens to the reality of prison life, with the goal of scaring them to stay away from crime. For decades, the program was publicized as a success, based on surveys from parents. However, a scientist did a longitudinal study to compare 2 random groups of

KEY QUOTES

"It is by getting the balance right between top-down strategy and a rigorous adaptation process that you hit the target. It is fusing what we already know, and what we can still learn."

"To leverage the power of failure, you have to be resilient and open."

delinquent youths—one that went through the program and one that didn't. The results showed that teens who went through Scared Straight were actually 28% *more* likely to commit crime than those who didn't.

- In reality, most policies and interventions are done without proper tests or control groups. They're often evaluated based on a single set of observational data, leading to biased and inaccurate conclusions. To get a more valid assessment, use RCTs to compare the effects of a change against a control group that's not subject to that change.

However, RCTs are not viable on a large scale where there're too many variables to create an effective control group. In such cases, **dissect a complex problem into smaller parts**.

- The *marginal gains approach* is about combining measurements (to assess your current performance) with creative ideation (to discover new ideas for improvement), then applying them in an ongoing loop. Isolate a problem or variable you can test on a small scale, collect data sets and test/iterate the incremental changes. Once you've completed a trial, move on to test other variables, or to test the same variable on a larger scale. Using this approach, you can implement small changes that add up to create massive results.

- For example, to *alleviate poverty in Africa*, you can break down the problem into smaller sub-components (education, malaria, infrastructure etc.). Then, run RCTs for 1 program at a time. A group of economists wanted to improve children's grades in impoverished parts of Africa. They did a small test by giving free textbooks to 1 group of students in Kenya but not another. When this didn't produce results, they did another test using flipcharts (again with no results). In the end, they discovered a cheap and effective solution: de-worming medication. The medicine removed parasites to boost the children's growth, energy and school attendance by 25%, thereby improving their grades.

- Sir David Brailsford used the marginal gains approach to transform the mediocre *British track cycling team* into Olympic gold medalists. He achieved this by breaking

KEY QUOTES

"Science is not just about a method…it is also about a mindset."

"Success is a complex interplay between creativity and measurement, the two operating together, the two sides of the optimization loop."

"Marginal gains, as an approach, is about having the intellectual honesty to see where you are going wrong, and delivering improvements as a result."
—Sir David Brailsford

down his big goal into smaller parts. He tested and made incremental changes to many small variables, from the cyclists' bike designs to the mattresses they slept on. These small gains added up to significantly improve the cyclists' overall performance.

- This approach is also adopted by *Formula One pit stop teams*. They start by developing high-level strategies and identifying the data points needed to test each assumption. Then, they do pit stop practice-runs, examine the data, identify missing data points to be added, and do the practice-runs again in an ongoing loop. This iterative process allows them to test their strategies while collecting multiple sets of data to deepen their understanding of the problems and possible solutions.

Developing the Right Mindsets

Problems and failures are **vital ingredients for innovation**. The typical creative process goes like this:

- The innovator encounters a *failure or problem*, which gives him the motivation or reason to innovate.
- He *investigates* the problem, studying it from multiple angles, exploring and rejecting many options.
- A brilliant solution or *epiphany* emerges after a gestation period, and usually involves the synthesis of seemingly-separate ideas or technologies. This typically happens in 2 scenarios:

  (i) He's in a relaxed or "switched off" state (e.g. taking a stroll or shower) instead of focusing narrowly on the problem. In this zoomed-out state, the brain is more likely to make creative associations to see new solutions.

  (ii) He's facing disagreement, critique, or contradicting info, which forces him to consider the problem from new perspectives. That's why groups with diverse backgrounds tend to be more creative.

KEY QUOTES

"If you break down a big goal into small parts, and then improve on each of them, you will gain a huge increase when you put them all together."

"Removing failure from innovation is like removing oxygen from a fire."

"Without a problem, without a failure, without a flaw, without a frustration, innovation has nothing to latch on to."

"Creativity is just connecting things."
—Steve Jobs

- The innovator must now put the idea to the test, going through rounds of *iteration* (test → fail → refine → test again) until he arrives at a viable solution.

In short, successful innovations don't happen overnight. They take months or years of research, conceptualization, marginal changes, and failures, all of which cumulate in a breakthrough. This requires **discipline and persistence**.

- *James Dyson* first conceived the notion of a bagless vacuum cleaner when he was struggling with a vacuum bag choked with dust. He researched and incubated the idea for 3 years before he had an epiphany—to combine a vacuum cleaner with a sawmill. Thereafter, he relentlessly created and tested >5000 prototypes before he arrived a design suitable for commercialization. Dyson certainly wasn't the first to conceive a cyclone vacuum cleaner, but he was the first to persist through many failures to create a workable model.

- Likewise, *Pixar* doesn't create blockbuster movies like "Toy Story" or "Finding Nemo" by chance. After a storyline is conceived, every frame and element is discussed, critiqued and tested. A typical film goes through >125,000 iterations before the final storyboard is delivered. There are so many changes that the final movie often ends up being totally different from the original concept.

Cultivate a **growth mindset**, i.e. the belief that people can change and learn from mistakes (as opposed to a fixed mindset that your skills/abilities can't be changed).

- Psychologist Carol Dweck found that children with a growth mindset saw challenges as *learning opportunities* and were more perseverant compared to those with fixed mindsets. Companies with growth mindsets were more open to collaboration and sharing mistakes, whereas those with fixed mindsets were more preoccupied with hiding mistakes and avoiding blame.

- Willpower and discipline *can* be nurtured. *The more you overcome challenges, the easier it becomes*. In an experiment, a group of students was given easy tasks that they excelled in, while another group was given harder tasks that they struggled with. When both groups were

KEY QUOTES

"Insight often requires taking a step back and seeing the big picture....But to make a creative insight work requires disciplined focus."

"Winners require innovation and discipline, the imagination to see the big picture and the focus to perceive the very small."

"We progress fastest when we face up to failure—and learn from it."

"If we interpret difficulties as indictments of who we are, rather than as pathways to progress, we will run a mile from failure."

later presented with a tough problem, the 1st group became demoralized quickly while the 2nd group embraced the challenge and even asked for more. Don't allow your self-esteem or the fear of failure to handicap you—instead, use each challenge and failure as an opportunity to grow.

To embrace mistakes, facilitate learning and growth, we must shift away from a culture of assigning/avoiding blame to a culture that's **fair and transparent**.

- Employees must be able to *trust* their leaders and organizational systems to evaluate mistakes fairly and transparently. Differentiate between honest mistakes and justifiable blame (e.g. negligence). Give people the room to fail and learn from mistakes.

- Create *supporting systems* to identify and report errors, collect and analyze data sets, diagnose mistakes and share corrective actions and insights.

KEY QUOTES

Putting it Together

With the right systems and mindset, we can start to transform *any* area of failure into **stepping stones for success**.

- In the past, the legal and criminal system was considered to be infallible. The discovery of DNA brought new evidence to suggest that hundreds of men had been wrongfully convicted of rape. The Innocence Project was founded to exonerate wrongly-convicted individuals using DNA tests. Initially, they faced strong resistance from judges, prosecutors and legal professionals who had devoted their lives to solving crime and found it hard to face their own mistakes.

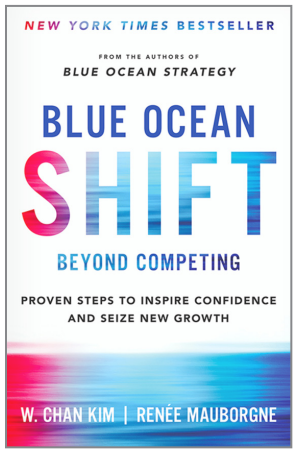
- It took years for The Innocence Project to uncover numerous flaws in the legal system and present concrete improvements, ranging from eye-witnessing processes to interrogation techniques and forensic sciences. People finally began to accept that addressing mistakes didn't weaken the legal system. It actually strengthened

"Failure is simply the opportunity to begin again, this time more intelligently."
—Henry Ford

"Systems that do not engage with failure struggle to learn."

the system by ensuring that innocent people weren't wrongly convicted while guilty people didn't walk free.

KEY QUOTES



BLUE OCEAN SHIFT

Beyond Competing—Proven Steps to Inspire Confidence and Seize New Growth

RENÉE MAUBORGNE & W. CHAN KIM

The Big "So What"

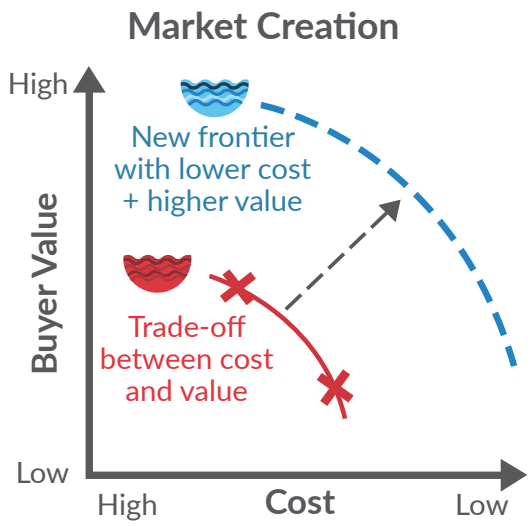
Blue Ocean Strategy was first published in 2005 to explain how organizations can successfully make the leap from cut-throat "red oceans" to wide-open "blue oceans". This book organizes the tools and framework into a systematic 5-step process and explains how to mobilize your people for a smooth transition. This strategy guide is built on 30 years of research, and can be used by any organization—from profit, non-profit or public sectors—to make the shift from an existing, crowded market to a new, uncontested one.

KEY QUOTES

"Blue ocean shift is a systematic process to move your organization from cutthroat markets with bloody competition...to wide-open blue oceans, or new markets devoid of competition, in a way that brings your people along."

Introduction

Today, every industry faces the challenges of rising costs, intense competition, and rapid changes. A "red ocean" is a saturated market where organizations must compete to survive. A "blue ocean" is a market with little/no competition. To move from red to blue oceans, you must create a new frontier where you can deliver both lower costs *and* higher value. This requires 3 key ingredients:



- *Embracing a blue ocean perspective* with a fundamental change in thinking. Stop focusing on competition within existing markets. Instead, expand your horizons and consider fresh perspectives to create real breakthroughs.

"Too many organizations are wedded to industry best practices even as they strive to break away from them."

"By opening up a new value-cost frontier that is a leap beyond the existing industry productivity curve, a blue ocean is created and competition on the existing frontier is made irrelevant."

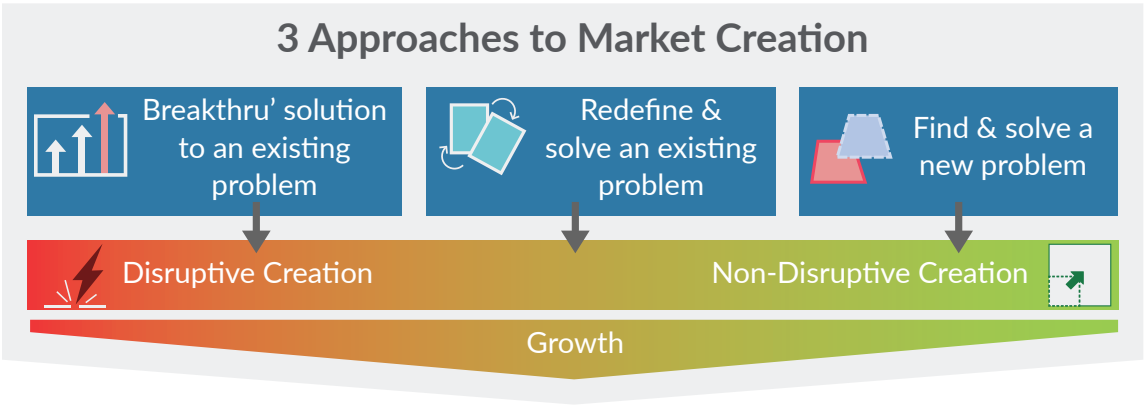
- Equipping your people with the *practical tools/ approaches* so they can create and implement the strategic shift.

- *Embracing "humanness"*: A strategic shift can only happen if people follow willingly. Don't treat strategy formation and implementation as 2 separate processes, nor try to push people to change using structural changes or carrot-and-stick methods. Instead, (i) involve people from the onset, and (ii) win them over by giving them the inspiration and confidence to take action.

Fundamental Concepts

1. Understanding Market Creation

Market creation doesn't have to mean a disruption or destruction of existing markets. There are 3 market-creation approaches, each with a different **mix of disruptive vs non-disruptive creation**.



- *Providing a breakthrough solution to an existing problem*. This typically disrupts existing firms/markets, even though the overall pie may grow. For example, cassette tapes were displaced by CDs, which were later displaced by the iPod and digital music libraries.

- *Redefining and solving an existing problem* to change industry assumptions and boundaries. This has both disruptive and nondisruptive elements. Cirque du Soleil combined elements of traditional circus (e.g. tents, clowns, acrobats) with elements of theatre and ballet (e.g. story,

KEY QUOTES

"Making a blue ocean shift is a transformational journey…To move toward the new frontier, you have to bring people along."

"Growth has always been generated by market-creating moves based on both disruptive and nondisruptive creations."

music, dance). In so doing, they captured a slice of each industry, while concurrently creating a new market for circus-goers.

- *Finding and solving a new problem*. In this case, there's no disruption, since new value and demand are created in a brand-new market beyond the current industry. For example, Sesame Street created a new market for early childhood education without displacing preschools, libraries, or storybooks.

Focus on value innovation, not technological innovation. A blue ocean comes from unparalleled buyer value, not new/superior technology. Starbucks and the Grameen Bank are examples of new markets created without new technology.

You don't need to be an entrepreneur to create a new market. All you need are the proper tools and processes to (i) translate innovation into buyer value and (ii) help people to overcome their fears and inertia.

2. The Blue Ocean Mindset

Use these **4 guiding principles** to break free from a red ocean mindset and open up new blue ocean possibilities:

- Your existing industry boundaries and conditions aren't fixed. You can *shape and transform the boundaries*—you're limited only by your imagination.

- Don't focus on beating your rivals. *Seek to make your competition irrelevant* by delivering a quantum leap in value. Ask yourself: how can we deliver such a compelling offering that we'd win masses of buyers even without marketing? This forces you to rethink the bases of your competition and investment.

- Don't fight over existing customers. Focus on *creating and capturing new customers*, which unlocks a much larger untapped demand or market.

- Don't choose between low cost or differentiation. Create superior value by offering both *low cost and differentiation*.

KEY QUOTES

"Adopting the perspective of a blue ocean strategist opens your mind to what could be, instead of limiting it to what is."

"While technology innovators may lay extraordinary eggs, they are seldom the ones who ultimately hatch them."

"You can't expect to create a blue ocean if you think like a red ocean strategist."

"Industry boundaries are not fixed. They are as fluid as your imagination."

"On your blue ocean shift journey, noncustomers, not customers, provide the greatest insight into what your industry is doing to limit demand and how you can overcome this."

3. Humanness

People want to make an impact, yet they're afraid to fail. Adopt a humanistic approach: give people inspiration, confidence and direct their creative energy with **3 elements**.

- *Atomization*: A big leap to a blue ocean can seem daunting. Instead, break it down into tiny, specific steps that people can grasp and execute to achieve quick wins.

- *Firsthand discovery*: If you tell people to change, they'll resist. Instead, create the conditions where people will discover for themselves the need for change. Give them the tools to arrive at the conclusions themselves, and get them out on the field so they can see/experience the buyers' pain points and alternatives.

- *Fair Process*: This involves 3 principles to develop trust and cooperation: (i) engagement (actively involving people in the process), (ii) explanation (helping people to understand the rationale for each step) and (iii) clear expectations (giving clarity on roles, responsibilities and what to expect).

Equip people with **specific tools and frameworks** (using the 5-step process below) to direct their creative competence.

The 5 Steps of a Blue Ocean Shift

1. Get Started

The first step is to identify the area with the biggest potential gain and put together the right team for your blue ocean initiative.

Focus your blue ocean initiative on the single most feasible product offering. Use the **Pioneer-Migrator-Settler (PMS) map** to get a visual overview of your organization's value innovation pipeline.

KEY QUOTES

"People are paradoxical. We aspire to make a difference… Yet, simultaneously, most of us fear we can't."

"When confidence to act and creative competence meet, real results are achievable."

"While achieving a blue ocean shift may seem like magic, it is not. There is actually a systematic process that is accessible to everyone."

- Organizations tend to focus on market share and industry attractiveness, which reflect past (not future) performance. The PMS map focuses on the *value* being delivered to buyers and *innovation* to overcome industry constraints. The innovative value of your offerings reflects how healthy your portfolio truly is.

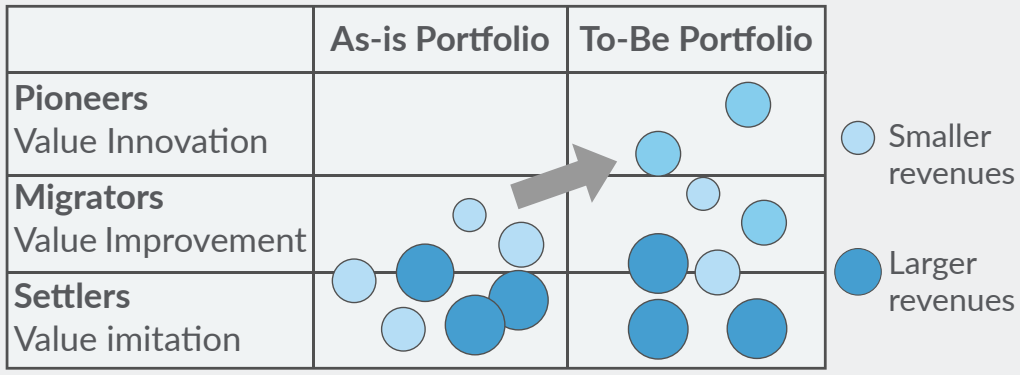
- The Map is split into 3 segments: *pioneers, settlers and migrators*.

  (i) Pioneers are offerings that offer *value innovations*. They break away from the competition to open up new frontiers, and are your keys to future growth and profitability.

  (ii) Settlers lie on the other extreme with *value imitation*. They compete mainly on price and small changes, with low prospects for growth. Microsoft's Office and Windows are decades-old Settlers that still contribute to the bulk of its profits.

  (iii) Migrators lie in between: they offer some *value improvement* over competitors, but not innovative value.

The Pioneer-Migrator-Settler Map



- *Plot your Pioneer-Settler-Migrator map*:

  (i) Get your key managers (minimally the unit heads) to list down your *key businesses* and *products/services*. Then, identify if each offering is a pioneer, migrator or settler, in terms of the *current* value and innovation from the *buyer's perspective*. The circle sizes should reflect each offering's relative revenue. A real pioneer must deliver a quantum leap in buyer value—if any of the pioneers are small circles, examine *why* it is so.

KEY QUOTES

"In organizations with blue ocean offerings, you will see pioneers that are planting the seeds for tomorrow's profit and growth."

(ii) Have the managers do the exercise individually, then *collectively discuss and plot the Map*. Involve all key decision-makers (e.g. product owners, legal and finance teams). This creates a fair process, allows people to share perspectives and feel invested in the process and outcome.

- *Evaluate your map*. Your goal is to have a healthy balance of settlers and migrators (for cash and stability) and pioneers (to drive future growth). If you already have a balanced portfolio, there's no need for a blue ocean initiative yet. Otherwise, upgrade your portfolio by *choosing 1 offering* that best meets these 4 criteria:

  (i) It's a settler or low migrator (i.e. already in a red ocean);

  (ii) It's headed by a manager who wants to shift to a blue ocean;

  (iii) There're no other major initiatives in that unit; and

  (iv) The unit is under clear pressure to take action (e.g. it's facing intensifying competition or is already in the red).

KEY QUOTES

"In the end, the offerings…get plotted…by the people running those units. It's their call, not yours, which is the outcome you want."

Put together the right team to drive the initiative and involve them from the onset. Ensure *all* key functions involved in the offering are represented (about 10-15 people). Choose people with the right character, i.e. respected, credible, good listeners, ask good questions and can get things done. They must know their functions well, and be willing to spend about 10% of their work hours on the initiative. Include 1 (maybe 2) naysayers, but ensure they're a minority. Appoint a strong team leader.

"When it comes to whom to select for the team, job title is not the most important factor. Character is."

2. Establish the Current State of Play

The next step is to capture your strategy clearly so everyone's aligned on the strategic landscape and exactly where you stand.

The **Strategy Canvas** provides a 1-page picture that helps you to crystallize your strategy and put everyone on the same page.

"When people see what the strategic reality is, and agree on the need for change, you can create real alignment and a collective will to make the shift."

- The horizontal axis captures the *key factors* that the industry invests in or competes on. The vertical axis shows the *offering level* buyers get for each factor. The canvas also shows how similar or different the key players' *strategic profiles* are.

- A *good strategic profile* should meet 3 criteria:

  (i) It has a *divergent* shape from the industry norm;

  (ii) It's *focused* on the key factors that deliver a leap in buyer value (while cutting down the rest); and

  (iii) It has a *compelling tagline* that captures how the offering is unique.

Draw your "as-is" strategy canvas for the current state of play.

- Identify *5-12 key competing factors* that describe the offering's value from the buyers' perspective. These can involve the product, service, or delivery platforms, e.g. charity fund-raisers may offer gala events, advocacy, donor recognition etc.

- Get managers to draw up their own lists, then consolidate the inputs, discuss and *decide on the list of key factors*. Don't confuse brand or organizational strengths (e.g. new technology) with competing factors (e.g. ease of use, reliability).

- *Choose up to 3 key player(s) to compare against*, including the industry leader or your strongest competitor(s). Using a

KEY QUOTES

"Remember you are looking to capture the big picture from buyers' perspective, not technical differences from the supplier's perspective."

5-point scale, have the team rate the offering level for each factor for your product followed by the reference company.

- The canvas shows exactly where you stand and provides a baseline for subsequent discussions. Do you have a unique or "me-too" strategic profile? Get the managers to write down, *share and discuss their insights*.

3. Explore What Could Be

Next, help the team to envisage how to shift from the current red ocean into a new blue ocean by uncovering buyer "pain points" (caused by your industry's hidden constraints) and identifying how new demand can be unlocked.

Use the **Buyer Utility Map** to identify the hidden "pain points" in your industry—things that reduce buyers' utility or cause them to choose other alternatives. The Map lists (i) 6 stages of the Buyer Experience Cycle and (ii) 6 Utility Levers that can affect the 6 experiences.

Six Stages of the Buyer Experience Cycle (BEC)

Six Utility Levers	Purchase	Delivery	Use	Supplements	Maintenance	Disposal
Customer Productivity			0			
Simplicity					X Detailed Notes	
Convenience	0	0				
Risk Reduction				X Detailed Notes		
Fun & Image			X Detailed Notes			
Environmental Friendliness						X Detailed Notes

0 Current Industry Focus

X Buyer Pain Points

- Have the team imagine the buyer's activities for the 6 phases of the *Buyer Experience Cycle*: Purchase → Delivery → Use → Supplements (what's needed to make your offering work) → Maintenance → Disposal. Then, consider the 6 *Utility Levers*: Productivity, Simplicity, Convenience, Risk Reduction, Fun and Image, and Environmental Friendliness.

KEY QUOTES

"The challenge is to help team members not only see the need to make a blue ocean shift, but also make room in their mental cups so that they have the space and thirst to look at the world anew."

"The Buyer Utility Map…lets the team identify not only the full range of ways an industry delivers utility to buyers, but also…where it blocks utility."

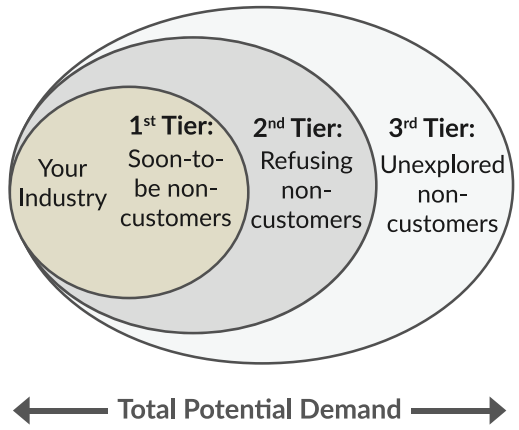
- For *each of the 36 utility spaces*, ask "What's the biggest block to this lever at this stage?" and "What are the main reasons for this block?" Put an "X" in spaces with a pain point, an "O" for spaces that the industry currently focuses on, and keep your detailed notes. For example, furniture sellers may only deliver the furniture to a buyer's building, when buyers struggle to get the bulky furniture from the lobby up into their apartment.

- This process helps the team to see the spaces neglected by the industry, i.e. *where hidden value may be unlocked*. You don't need a perfect analysis to get useful insights. Get the managers to share/discuss what they've learned, focusing on the opportunities behind the pain points. Consider sending the team into the field to experience the full buyer cycle beyond the initial point of sale, so they can gain deeper insights.

Now, the team is ready to dig deeper into who the noncustomers are and why they don't use your offering. Specifically, there are **3 tiers of noncustomers**.

- Your total potential demand = existing customers + *3 tiers of noncustomers*.

3 Tiers of Noncustomers



(i) *Soon-to-be noncustomers* who patronize your industry only because they have no choice. They'll to switch to better options once those are available.

(ii) *Refusing noncustomers* who considered but rejected your offering in favor of another alternative (e.g. choosing painting over wallpapering the house).

(iii) *Unexplored noncustomers* who could've benefit from your offering, but never considered it because it's too unviable or unattractive. Square Inc. realized that small businesses like food-truck vendors weren't accepting credit/debit card payments—by shrinking the credit card readers and leveraging smartphone capabilities, they created smaller, cheaper point-of-sale devices suited for these noncustomers.

KEY QUOTES

"In the blue ocean shift process, pain points…are blatant opportunities to change the playing field of strategy."

"The universe of noncustomers not only exists, but provides expanding growth opportunities."

- *To identify your noncustomers*:

  (i) Expand the team's minds by sharing case studies of how various industries have unlocked noncustomers.

  (ii) Get the team to brainstorm and discuss who are (a) the customers who buy/use your current offering vs (b) the 3 tiers of noncustomers in your industry. The goal is not to segment the market in detail, but to see the big picture of the untapped demand.

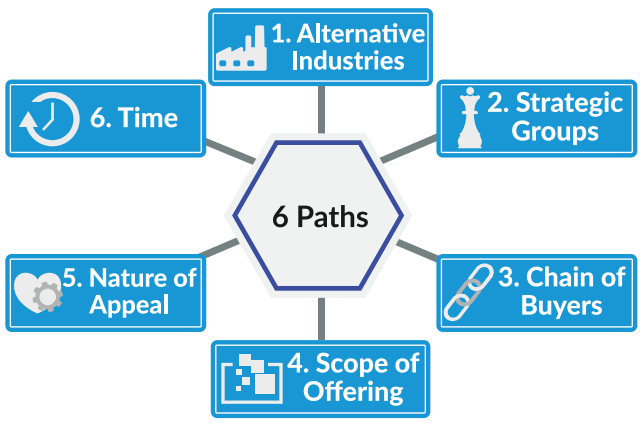
  (iii) Break up into subgroups to quickly research the rough size of the untapped demand, i.e. estimate how valuable each tier could be if unlocked.

- Get the team to *share and discuss their insights* and recap all the discoveries you've made so far.

4. Define How to Get There

This step is about translating the big picture into practical blue ocean strategic moves by reconstructing your market boundaries and identifying factors you can eliminate, reduce, raise and create.

Organizations tend to define (and unknowing limit) their playing field with 6 boundaries. Use the **Six Paths Framework** to break free from these artificial constraints.



- Explain the big picture, goals and processes, then split the team into *2 sub-groups*, each focusing on 3 paths:

  (i) For each path, the team members will go into the field and interview 10-12 people (customers + noncustomers). They should take pictures/videos and record *all* their insights (including outliers) since the details can add up to provide a breakthrough idea.

  (ii) Then, have members regroup to share/discuss their insights, and arrange follow-up interviews if needed.

KEY QUOTES

"The purpose is to seek a higher-level understanding of the macro contours and commonalities that cut across and unite existing customers so you'll be able to see the forest for the trees."

"Boundaries do not define what must be or should be. They merely define what is."

"No observation is too small, as many seemingly small observations can later add up to the big insight that creates a blue ocean."

- Here's a *breakdown of the 6 paths* to be explored:

Shift in Lenses Red → Blue Ocean	**Key Steps & Questions to Address**
Path 1: **Industry** Focus on rivals within the industry ↓ Look across alternative industries	(i) What key buyer needs do you address? → (ii) What other industries serve the same needs? → (iii) Which ones attract the most buyers? → (iv) Interview buyers (your noncustomers) from those industries → (v) Ask why they rejected your industry (the negatives) and why they chose the alternative industry (the positives) e.g. why they chose to travel via train instead of airplane → (vi) Record your insights.
Path 2: **Strategic Group** Focus within a strategic group ↓ Look across strategic groups	(i) Define the strategic groups in your industry or target industry (i.e. companies with similar business models/ offerings, e.g. "fast food" or "fine-dining" restaurants) → (ii) Pick 2 largest groups → (iii) Interview buyers from each group → (iv) Ask why they traded up/down from 1 group to another, focusing on key factor(s) behind their choices → (v) Record your insights.
Path 3: **Buyer Group** Focus on the existing industry buyer group ↓ Look across the full chain of buyers + redefine industry buyer group	(i) Define the chain of buyers (users, purchasers, influencers) in your industry or target industry → (ii) Define the main buyer group that the industry focuses on → (iii) Focus on the neglected groups (e.g. the parent who pays for their teen's gadgets) → (iv) Interview buyers in their natural setting (e.g. interview retailers in their retail stores)→ (v) Learn how they define value + observe the biggest challenges/burdens they face from the current industry focus → (vi) Record your insights.
Path 4: **Scope of Offering** Maximize offering value based on the industry's definition ↓ Look at how complementary products/services can add/reduce your offering's value	(i) Observe buyers as they use your offering → (ii) Consider the total solution the buyer seeks by observing what happens before, during, and after its use → (iii) Watch for things that trigger the need/desire for your offering + inconveniences or blocks to utility → (iii) Group your insights by frequency or importance (e.g. in rural South Africa, the main block to TV purchase was the lack of electricity, so TVs with car batteries unlocked a huge demand) → (iv) Use the buyer utility map and 3 noncustomer tiers as a guide → (v) Record your insights.
Path 5: **Nature of appeal** Improve offering based on the industry's functional emotional orientation ↓ Rethink the orientation	(i) Identify your industry's current basis of appeal—is it mainly functional (common for supermarkets or legal services) or emotional (common for luxury goods)? → (ii) Ask customers/noncustomers to describe the industry with 3-5 adjectives (and probe for reasons) → (iii) Identify commonalities → (iv) Explore how the offering would be like if you flipped the orientation (emotional ↔ functional) → (v) Record your insights.
Path 6: **Trends over Time** Adapt to external trends as they occur ↓ Proactively shape external trends that decisively impact your industry	(i) Get the team to research and identify 3-5 trends with the most decisive impact on your industry or target industry in the next 3-5 yrs → (ii) Discuss if/how each trend has a decisive impact on your industry, how irreversible it is, and if there's a clear trajectory → (iii) For each trend that's impactful, irreversible and has a clear direction, consider how it'll affect buyer value and your business model over time → (iv) Record your insights.

KEY QUOTES

"The paths show you how to look at the market universe anew and to see what others don't see."

"Organizations that are big on segmentation…often have a tougher time distinguishing the forest from the trees."

"Observe them actually using the product or service, so the unvoiced, taken-for-granted assumptions they make and the steps they take can be revealed."

- It takes a lot of *time and effort* to do the fieldwork and interviews, but it's extremely rewarding if done properly. You'll gain valuable insights and the team will experience a shift in mindset and perspective.

The team is now ready to use the **Four Actions Framework**: to translate the firsthand insights from the 6 Paths fieldwork into concrete options for achieving both low cost *and* differentiation.

- Challenge the *factors that the industry has been taking for granted*, by asking:

  (i) What can be *Eliminated*? These are factors that no longer add value and may even decrease value.

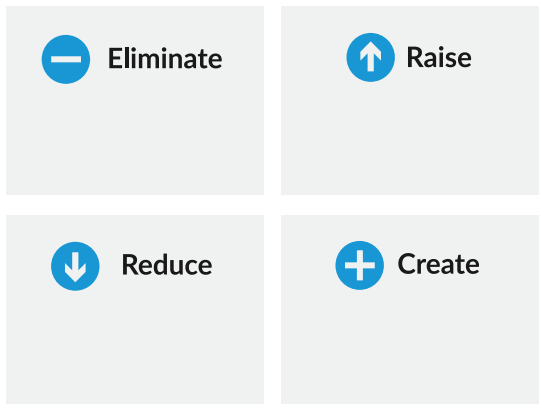
  (ii) What should be greatly *Reduced* below industry standard? These are over-designed factors where costs exceed value.

  (iii) What should be greatly *Raised* above industry standard? These are factors that buyers want more of.

  (iv) What should be *Created*? These are new factors that create new buyer value to convert noncustomers to customers.

Combine the insights into the **3 key outputs for Step 4**:

- For each of the 6 Paths earlier, the team should've discussed their insights and agreed on a set of key factors that're relevant to consumers and nonconsumers. Put them into the 4 sections of the *ERRC Grid*: Eliminate, Reduce, Raise, or Create. Ensure all 4 sections are filled, though it's normal for only 2-3 paths (out of 6) to deliver useful blue ocean insights.



- Then, create a *"to-be" Strategy Canvas*: Overlay the factors onto the original canvas on a scale of 0-5, with 0 being factors to be eliminated. You can now see your new strategy profile.

KEY QUOTES

- Develop a succinct *tagline* that captures how each proposed offering will create a leap in buyer value.

5. Make your Blue Ocean Move

The final step is to select and launch your strategic move, testing and refining your business model quickly to maximize its potential.

By now, you have up to 6 potential offerings, each with a "to-be" Strategy Canvas. Use the **Blue Ocean Fair**—which brings together your team members, key decision makers, customers and noncustomers—to decide which strategic offering to pursue.

- *During the Fair*:

  (i) Present an overview of the current red ocean and why you need a Blue Ocean Shift. Then, get the team to present each of the strategic options (including the to-be strategy canvas, the ERRC grid, benefits for the buyers and the organization).

  (ii) The team splits up to man separate display stations for each strategic option.

  (iii) The attendees visit all the stations, share their views and cast their votes. Probe for the rationale behind their votes.

  (iv) The executive team decides which option to pursue (and explains the choice if it's not the one with the most votes).

Once the decision is made, the team should quickly develop and market-test a prototype to confirm what they've learned, make refinements and assess the market potential. To **formalize the business model** and generate profitable growth, you must address both the value and the cost aspects of the new offering.

- The *initial team is now expanded* to include all key operational expertise. It'll work full-time on the initiative

KEY QUOTES

"The fair is designed to take the politics out of the decision-making process, obtain validation and feedback on the strategic options, and consolidate people's commitment to and support for the chosen move."

"Your to-be strategy canvas has to be non-negotiable. What is negotiable is how your business model delivers it."

with top management's mandate. The goal is to deliver the strategic offering from the ERRC Grid and to-be strategy canvas.

- Decide on the *ideal strategic price and profit margin* for the offering, then work backwards to calculate your target costs. Challenge the whole organization to achieve the *target costing* through (i) strategic partnerships, (ii) operational streamlining and innovations and (iii) ways to boost people's positive energy and contributions.

- *Implement your Blue Ocean Shift*, starting small (so you can iron out any kinks) before building your momentum.

Putting it Together

Blue Ocean Shifts won't happen overnight. But if you follow the steps above, you'll be able to see tangible results within a year.

Let's wrap up with an example of how **Group SEB** created a blue ocean from the saturated red ocean for kitchen appliances.

- French multinational Group SEB was facing growing competitive pressures, especially in the shrinking market for *electronic French-fry* makers. After applying the Blue Ocean tools and processes, they realized that there were 2 industry assumptions that created huge pain points for customers: (i) great-tasting fries had to be fried with (ii) lots of oil. Fieldwork with customers uncovered many concerns, e.g. risks during frying, the cost of oil, the difficulties of storing and disposing used oil, and the hassle of cleaning the machines.

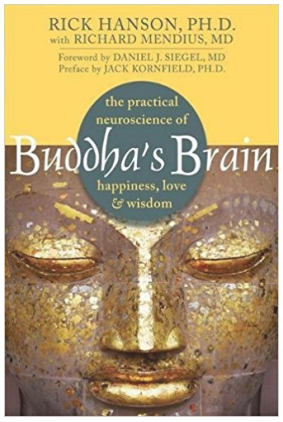
- The team fundamentally redefined the problem from "how to make the best electric French-fry maker" to "how to make tasty and healthy fries without traditional frying". This led to the launch of *ActiFry* in 2006—it can produce 2 pounds of tasty fries with just a tablespoon of oil. It doesn't involve frying, has no safety nor oil disposal problems, and is easy to clean. Not only did ActiFry

KEY QUOTES

"A big-picture business model shows how the value and cost sides of an organization's blue ocean move come together to generate strong profitable growth at the set strategic price."

capture a huge share of the original market, it also created new demand from people who're now purchasing French-fry makers because they're healthier and easier to use.

KEY QUOTES



BUDDHA'S BRAIN

The Practical Neuroscience of Happiness, Love & Wisdom

RICK HANSON, PH.D
(WITH RICHARD MENDIUS, MD)

The Big "So What"

In this book, the authors share the latest neuroscience discoveries that explain how our minds work and how 2,000 years of Buddhist contemplative practices can help to awaken our minds and create positive change.

Introduction

Our brains are made of 1.1 trillion cells, including 100 billion neurons, which are constantly transmitting signals and information via synapses. Science has shown that our brains continue to change throughout our lives.

Every thought and feeling that we have generates mental activity. **Our mind** is the combination of all the energy and information flowing through our neural circuits. These affect our neural structures to shape our brain.

Our brain regulates complex functions in the body, which in turn allow us to interact with the outside world (e.g. by using our senses, arms or legs). It affects what we perceive to influence our mental activities.

In short, the mind and brain are co-dependent, and we can deliberately **shape our brain** by managing our mental activities.

This book is structured like an operating manual for your brain. The authors present a mix of:

Scientific background, including the parts of the brain, how they work, and the body's biochemical processes; and

Practical tips and exercises that are scientifically proven to bring positive change.

KEY QUOTES

"Buddha's Brain is an invitation to use the focus of your mind to harness the power of attention to enhance your life and your relationships with others."

"We can actually use the mind to change the brain."

"You can do small things inside your mind that will lead to big changes in your brain and your experience of living."

"This book is about how to reach inside your own brain to create more happiness, love, and wisdom."

"Learn both brain science and practical inner ways to enhance well-being, develop ease and compassion, and reduce suffering."

In this summary, we'll start by explaining why we suffer (from both Buddhist and scientific perspectives), before moving into specific practices to shape our minds and brains for greater happiness, love and wisdom.

Part 1: Why we suffer

"Suffering" in this book refers to our feelings of frustration, stress, hurt, loneliness etc. In Buddhism, suffering is said to come from 3 poisons: *greed* (chasing after rewards), *hatred* (avoiding threats) and *delusion* (of how things really are). Science helps us to understand how such feelings arise, and how we can reduce the suffering.

Evolution and Suffering

One reason for our suffering is the conflict between our survival strategies and how the world works.

Mankind has evolved with **3 key survival strategies**:

- We create a *mental division* between ourselves and the world, and between different mental states;
- We seek *stability*; and
- We seek opportunities and avoid threats to our *survival and reproduction*.

However, **the world often works in the opposite way:**

- *Everything's connected*, from how our body parts work together, to how we interact with the people and elements in our environment (like the air and water we need for survival). We suffer when we try to isolate what's fundamentally connected.
- *Everything keeps changing*, from our body systems (e.g. temperature, neural synapses, heart beat) to the shifting clouds and rivers. When we seek predictability and control in an everchanging world, it creates stress and frustration.

KEY QUOTES

"When you understand why you feel nervous, annoyed, hassled, driven, blue or inadequate, those feelings have less power over you."

"Since we are each connected and interdependent with the world, our attempts to be separate and independent are regularly frustrated."

- *We can't satisfy all opportunities and remove all threats.*

  i. When we *experience rewards*, dopamine and "pleasure chemicals" are released in our bodies and we seek out more of the rewards. We suffer because (a) it's unpleasant to crave for something, (b) we feel disappointed when our expectations aren't met or when we get decreasing satisfaction from the same reward, and (c) all experiences eventually end.

  ii. We also feel anxious because we have a *negativity bias*. Our brain (a) constantly scans the environment for threats, (b) is more sensitive to negative inputs than positive inputs, and (c) pulls up negative memories whenever we encounter similar triggers. This creates a vicious cycle of pessimism and negative experiences.

The conflict above is amplified by our **mental simulator**. Our brain creates its own virtual reality, filling information gaps and simulating the future, all without our awareness. These mini-movies in our minds:

- Take us away from the *present*;
- Create assumptions and *limiting beliefs* about how things will turn out; and
- Reinforce *negative experiences* which may not actually happen.

Self-Compassion is a key ingredient to help us cope with difficult situations, build resilience and self-worth. You can nurture self-compassion by strengthening its related neural circuits:

- *Activate the circuits in your brain* by thinking of (a) how it feels to receive care from someone who loves you, and (b) how you feel toward a child or someone you love.
- Think of your own suffering and *extend the same compassion to yourself*. Allow the sensation to fill your whole body. Heighten the feeling by putting your palm on your cheek/ heart and saying, "May I be happy again. May the pain of this moment pass."

KEY QUOTES

"Everything that begins must also cease. Everything that comes together must also disperse. Experiences are thus incapable of being completely satisfying."

"The simulator takes you out of the present moment and sets you chasing after carrots that aren't really so great while ignoring more important rewards (such as contentment and inner peace)."

The First and Second Darts

All of us experience physical pain, which is the "first dart" in Buddhist terms. However, most of our suffering comes from the "**second darts**" that we throw at ourselves.

- For example, if you trip and fall, you'll feel the first darts of pain. If you get angry at yourself for being clumsy or upset at your spouse for not helping you, you're *throwing second darts*.

- Most second-dart reactions occur without first darts, i.e. we *create our own suffering*, even in positive situations, e.g. you receive a birthday gift from a colleague but end up feeling guilty that you didn't give her one for her birthday. Each dart you throw can trigger even more darts.

Overheating the system. Suffering is a tangible phenomenon that can be observed and felt in your body, through your Sympathetic Nervous System (SNS) and the Hypothalamic-Pituitary-Adrenal axis (HPAA) of the endocrine system.

- When faced with a threat (e.g. a bike is speeding toward you), your body naturally snaps into *red alert*. Your body releases signals, chemicals, and stress-related hormones. You become fully alert and *ready for action*, with increased heart rate, dilated pupils, suppressed reproduction and digestion systems, etc.

- Such reactions help us to deal with tough or dangerous situations. However, second darts can put us on red-alert all the time, which is bad for *physical and mental wellness*. Constant stress causes both *physical issues* (like ulcers, constipation, heart attacks, lowered libido) and *mental issues* (like anxiety and depressed moods).

Cooling the system. The Parasympathetic Nervous System (PNS) is your normal resting state; it helps you to stay calm and clear-headed, and quietens the mind to support contemplative insight. The SNS is like the accelerator of your car while the PNS is like the brakes—ideally, the 2 systems should be balanced like this:

- PNS is activated as your *baseline*, offering ease and peace;

KEY QUOTES

"As long as you live and love, some of those darts will come your way."

"Suffering is not abstract or conceptual. It's embodied: you feel it in your body, and it proceeds through bodily mechanisms."

"Even if your pot isn't boiling over, just simmering along with second-dart activation is quite unhealthy."

"Suffering has clear causes in your brain and body, so if you change its causes, you'll suffer a lot less."

- SNS is mildly activated for *vitality and enthusiasm*; and
- There are occasional SNS spikes for *challenging situations*.

Practicing awareness. You can shape your mental and physical reactions by becoming aware of your suffering as it arises. Observe your feelings and responses, so you can regulate your impulses until you no longer throw second darts and react to the suffering. For the rest of this summary, we'll look at how you can manage your mental activities to shape your neural connections and your brain for greater happiness, love, and wisdom.

Part 2: Happiness

Since our brains have a negativity bias, we tend to accumulate negative experiences faster than positive ones. The key to happiness is to boost the positive experiences, so they can take root.

Absorb the Positives

Positive emotions bring physical and mental health benefits, e.g. stronger immune system, stress-resilient cardiovascular system, etc.

To **internalize the positives**, use these 3 steps:

- Look out for *positive facts* (e.g. an act of kindness, a blooming flower) and convert them into positive experiences (by focusing on how they affect you).
- *Savor the experiences*, intensifying the sensations to fortify the memory thread. Focus on the rewarding aspects of the experience to increase dopamine release for positive neural associations.
- Imagine the experience (thoughts, emotions, sensations) being *deeply absorbed* into your mind and body.

Each time your brain calls up a memory, it modifies it by filling gaps and reinterpreting details, all without your conscious realization. When you hold 2 things in your mind at the same time, your brain also forms new neural connections. Thus, you can **rebuild your memories to heal pain**, using these tips:

KEY QUOTES

"As the saying goes pain is inevitable but suffering is optional. If you can simply stay present with whatever is arising in awareness… without reacting further, then you will break the chain of suffering right there."

"Much as your body is built from the foods you eat, your mind is built from the experiences you have."

"Positive experiences can also be used to soothe, balance, and even replace negative ones."

- Deliberately call up positive thoughts/feelings while recalling a painful memory, so you gradually *dull the old pain*.

- Take notice of your *recurring upsets* to identify the root causes. Use positive experiences to treat the causes of the old pains. In addition, each time the negative material surfaces, neutralize it with positive emotions.

By using just a few seconds each time, you can build new, positive structures in your brain to alter your thoughts and actions.

Calm Yourself

You can stimulate the PNS to calm your body, brain, and mind.

To activate the PNS:

- Practice *relaxation*. Scan your body mentally and progressively relax each part of your body, e.g. your eyes, jaw, left foot. You can also use *imagery* to help yourself relax e.g. imagine sitting by a peaceful lake.

- *Practice breathing*. Try breathing from your *diaphragm* for 1-2 minutes. Or, take a *deep breath*, hold it for a few seconds and exhale slowly as you relax. You can also balance your heartbeat: inhale and exhale evenly, and imagine the breath going through your heart area alongside feelings like gratitude or love.

- Adopt a *daily meditation* routine, no matter how brief. Here's an example of a mindfulness meditation:

i. Find a comfortable place where you won't be disturbed. Breathe deeply and relax. Put down your burdens like putting down a heavy bag, knowing you can pick up what you want after the session.

ii. Be aware of sounds around you, without thinking about them. Focus on your breathing, feeling the cool air entering and warm air leaving, and your chest/belly rising and falling.

iii. If your mind wanders, simply bring it back to your breathing. Anchor yourself in your breath and allow all thoughts,

KEY QUOTES

"The art is to find a balance in which you remain mindful, accepting and curious regarding difficult experiences—while also taking in supportive feelings and thoughts."

feelings, images etc. to pass through. Stay with the feeling of peace, space and awareness.

Although you can never be 100% safe, you can **soothe your fears** and avoid overreacting to threats.

- *Relax your body* using the methods above.
- Connect with *nurturing and supportive people* in person or via visualization.
- Visualize *protective figures* (e.g. your parents, a guardian angel), or being surrounded by a protective force field. Pay extra attention when people care for and stand up for you, and carry the feeling with you.
- *Evaluate your fears realistically*. You may realize they're not as likely or as bad as you'd feared. Focus on what you can do and the resources you can tap on. When fear surfaces, simply observe what's happening and let the feeling pass without being alarmed.

Seek refuge—be it people, activities, places, or thoughts—that energize you and make you feel safe. This is where you can let down your guard, learn freely and refuel yourself to face challenges. *Make a list* of as many of your refuges as possible. Think about them and get familiar with the *associated feelings and sensations*.

Fortify your Intentions

It's possible to tap on your mental strength to improve happiness.

Understand your motivation hubs.

- There are *2 key motivation hubs* in your brain:

  i. *The amygdala hub* is more primal in nature. It constantly scans what's happening around you to identify opportunities and threats, providing information for decision-making.

  ii. The *Anterior Cingulate Cortex (ACC) hub* holds your

KEY QUOTES

"Deliberately feeling safer helps control the hardwired tendency to look for and overreact to threats."

"In effect, you are giving yourself today the attention and attunement you should have received as a child."

"Keep separating from the fear; settle back into the vast space of awareness through which fear passes like a cloud."

"The amygdala is at the center of bottom-up, reactive, distributed, passionate motivation."

"The ACC is at the center of top-down, deliberate, centralized, reasoned motivation."

"working memory", where your brain places information to solve problems and make decisions. The ACC sets your intentions, decides where you focus your attention, and how you pursue your goals and deal with conflicts.

- The 2 hubs influence each other in a *feedback loop*. When they are in conflict, you feel as if your head and heart are pulling in different directions. When they are aligned, your motivation is the strongest.

- Intention is a form of desire, and desires need not cause suffering. Your intentions only lead to *suffering* when (a) it involves craving, i.e. you'll be upset if you don't get something, and (b) the desire is for harmful purposes, e.g. the 3 poisons.

Strong intentions are associated with energy and determination:

- *Bring up the feeling of determination* by quickening your breathing slightly or tightening your shoulders as if you're going to carry a heavy load. Use facial expressions to intensify your emotions.

- *Reinforce associated neural pathways* by visualizing a time you felt really strong, and observe how your body feels. Carry this feeling with you, and call it up when dealing with challenges. Reinforce it with words like "I'm feeling strong", "I have the right to be strong."

Seek Equanimity

Equanimity means staying centered, so you do not react to your reactions.

Understand that both pain and pleasure are transient. Let them pass and focus on what you can do now to shape future outcomes. Learn to **accept and be at peace** with whatever you feel—whether it's pleasant or unpleasant—so you create a buffer between your triggers and suffering. When you no longer react, identify with or own your pain and pleasure, you feel a sense of peace and freedom.

The equanimous state of mind can be cultivated through **4 neural conditions.**

KEY QUOTES

"Desire per se is not the root of suffering; craving is."

"When you are equanimous, you don't chase after enjoyable experiences or resist negative ones."

"Neither pleasure nor pain is worth claiming as your own or identifying with."

"Over time, equanimity deepens into a profound inner stillness that is a defining characteristic of contemplative absorption."

- *Stay "disenchanted"*, so you're not disappointed or dissatisfied with life. Set the intention not to react to your reactions.

- *Cultivate a steady mind*, by being aware of passing thoughts and feelings without being attached to them. Pay attention to how you feel/think when your mind is still and neutral, and bring yourself back to this state whenever you feel agitated.

- *Develop spacious consciousness*, and treat your fleeting thoughts and emotions like shooting stars in an infinite space.

- Make a list of situations that trigger big reactions in yourself, and rate their intensity. Use the PNS-activation approaches earlier to *practice tranquillity*, starting from the least intense situations.

Part 3: Love

The 2 Wolves in your Heart

We all have 2 wolves inside us: one of love and one of hate. Whichever wolf we feed will grow stronger.

- **Love**. We're evolved to bond emotionally with significant people like our family members. Love feels good due to associated chemicals like oxytocin and dopamine. Losing love feels bad as it activates neural systems for physical pain.

- **Hate** also evolved out of the need for protection against "outsiders". We tend to feel loyalty for "us" but aggression for "them". We can't kill the wolf of hate, but we can leash it and feed the wolf of love.

Compassion and Assertion

To nurture the wolf of love, we need empathy, compassion (to offer care and understanding) and assertion (to address your own needs).

Empathy is about understanding someone. It's a foundation to any meaningful relationship. Humans are capable of empathy

KEY QUOTES

"The space of awareness allows every content of mind to be or not to be, to come and to go."

"Although the wolf of hate gets more headlines, the wolf of love has been painstakingly bred by evolution to be more powerful."

"The wolf of love sees a vast horizon, with all things included in the circle of 'us'. That circle shrinks down for the wolf of hate."

"There is no killing the wolf of hate… But you can keep that wolf carefully tethered."

because of neural systems that allow us to simulate others' actions, emotions and thoughts.

- When we see others do something, our brain's perceptual motor systems light up as if we're doing those *actions* ourselves;

- When others experience strong *emotions* (e.g. fear or anger), it triggers similar neural connections in us. The more we're aware of our inner states, the more we can relate to the feelings.

- We observe others' actions, emotions and thoughts, make an educated guess of what they're *thinking*, then test it on ourselves to understand where they're coming from.

To build empathy:

- Set the *conscious intention* to understand the other person. Relax and open up to the person while maintaining a safe space.

- *Pay attention* to the other person's actions (e.g. movements, posture), feelings (both verbal and physical expressions) and thoughts (e.g. background, motivation, and desires).

- *Check back* to ensure you've understood them correctly, e.g. "It sounds like….is that right?" or "I get the sense that …."

- Be willing to request for and *receive empathy*.

Cultivate compassion by calling up feelings of love and gratitude before focusing on the person/problem, mentally wishing the other party well, and practicing compassion with 5 different types of people daily (e.g. a friend, a stranger, etc.).

Assert yourself by staying true to your goals and truths.

- Living with *unilateral virtue* means acting according to your principles and goodness, rather than responding to what others say/do. Write down your personal code of virtues to guide your actions (e.g. "listen more, talk less" or "keep my promises").

KEY QUOTES

"Compassion widens the circle of 'us' while assertion protects and supports everyone inside it."

"Virtue sounds lofty, but it's actually down to earth. It simply means living from your innate goodness, guided by principle."

- To reach an *equilibrium*, your must satisfy both your head (logically) and your heart (emotionally).

Loving Kindness

Compassion usually relates to others' suffering, whereas kindness (wishing others well) can apply to all contexts.

You can **wish others well** either generally (e.g. for health or happiness) or specifically (e.g. to secure a desired job or be at peace with a painful loss).

- Do a *loving-kindness meditation* by modifying your usual meditation to focus on a kind wish with each breath.

- *Offer kindness daily* through your intentions, words and actions.

Your ultimate test will be to show kindness to someone who has treated you badly. To **drop ill-will and cultivate goodwill**:

- Look for things that bring you *positive emotions*, while diffusing negative triggers and feelings as early as possible.

- *Avoid arguments* by separating your thoughts from others', e.g. imagine your conflicts are separated by a waterfall.

- *Don't assume negative intentions* by others. Consider the possible reasons they may have acted in a hurtful way.

Expand your "us" circle to eventually include the whole world.

- *Redefine your "us" categories*. Focus on *similarities* rather than differences, and challenge how you've defined your "not me" categories (e.g. different interests, religions).

- Reduce the sense of threat by asking if others will really harm you. Look for *mutual benefit* or opportunities for collaboration.

- Practice the *loving-kindness meditation*. Focus on the feeling of being loved. Allow that feeling to flow through you, toward the people closest to you, then to acquaintances

KEY QUOTES

"If compassion is the wish that beings not suffer, kindness is the wish that they be happy."

"Goodwill and ill will are about intention."

and strangers, until it covers all other living beings on the planet.

Part 4: Wisdom

Mindfulness is the ability to direct your attention at will. It determines what flows through your mind and thus how you shape your brain.

Train your Mind

Our brain is constantly balancing **3 key needs**: keeping information in awareness, updating awareness with new information, and seeking the right level of stimulation (e.g. food, mates, resources). Imagine information is being held in a working space in your brain. When the contents are stimulating, dopamine is released and the door to the space is closed, allowing you to focus. If the stimulation drops, dopamine levels fall and the door opens to new inputs.

You can **train yourself** to be more mindful:

- Before starting any activity that requires focus, *set the intention* to be mindful. Think of someone who's extremely focused and simulate the sensations and state of mind.
- To cultivate *daily mindfulness*, slow down, talk less, single-task instead of multi-task, stay centred and focus on breathing during daily activities. Reflect more and simplify your life.
- *Stay alert* by getting sufficient rest, sitting in an erect position, visualizing light to brighten your mind, and breathing deeply to oxygenate the brain.
- *Quieten the mind* from distracting thoughts. Suppress left brain chatter by developing awareness of your body as a whole. Instruct your brain's verbal centre to be silent, e.g. tell your mind, "shhh, it's not the time to talk right now", or use mantras/prayers to replace mindless chatter.
- Learn the difference between your awareness (which is an infinite, unchanging space) and *fleeting "mind objects"*. Relax, breathe and observe the mind objects passing through

KEY QUOTES

"When your attention is steady, so is your mind."

"Being mindful simply means having good control over your attention."

"Attention is like a spotlight, and what it illuminates streams into your mind and shapes your brain."

"The brain can't be fully attentive unless it's fully awake."

"Notice the spacelike qualities of awareness: it is boundless, still and silent, empty until something appears, vast enough to hold anything, always present and reliable, and never altered by the mindobjects passing through."

your mind like watching a movie. Realize that your likes and dislikes are merely passing objects.

Improve your Concentration

Meditation is powerful because it focuses your attention like a laser beam. It can improve 5 factors that affect your concentration.

Factors 1 & 2: Applied and sustained attention. You *apply attention* when you initially direct attention to an object. You *sustain attention* when you stay focused on the object.

- Practice focused attention by counting your breath from 1-10 (1 set), and gradually increase the number of sets.

- To *filter out distractions*, start your meditation by noticing the distractions around you. Invite them into your mind, then ask them to go out before refocusing on your object of attention. If you can't remove the distraction, then make it the focus of your meditation.

- To satisfy your mind's *desire for stimulation*, focus on novel details like the sensations in a body part (e.g. your tongue), a body area (e.g. your chest area), or break up your breathing into parts (e.g. inhale-pause-exhale).

Factors 3 & 4: Rapture and joy: When you feel intense interest in an object (rapture), or feelings of joy, more dopamine is released and you concentrate better.

- *Set intention* for rapture and joy, pay attention to them and *invite them in*. Imagine you're breathing in bliss and joy.

- Make rapture and joy the *focus of your meditation*. Notice the various shades of happiness, contentment, joy or tranquillity.

Factor 5: Singleness of mind. This comes from all 4 factors above. Unify the mind by focusing on the sense of your *entire body* working as one. Drop the past and future and *focus fully on the present*. In the book, the authors also take us through a "*concentration meditation*" combining various techniques covered so far.

KEY QUOTES

"Mindfulness brings insight and wisdom—and the best way to increase your mindfulness is through meditation."

"Singleness of mind involves the unification of awareness, grounded in a deepening absorption in the object of attention.

Relax the Sense of Self

All of us have an "apparent self", which is merely a concept. There's no permanent concept of "I". We are constantly changing as new stimuli and synapses flow through our minds, and the "self" is merely a temporary mind-object. We need the self to function in society, e.g. identify people, connect our life experiences and build relationships, but we needn't be limited by it. The key is to play the role of self without being attached to it.

When you hang on to self, you separate yourself from others and identify with (or try to possess) things that inevitably end, bringing yourself suffering. **Relax the sense of self** and flow with life, so you feel a greater happiness and satisfaction.

- *Take your body for a walk*. Enjoy the sights, sounds and sensations without relating to "I". Realize that you don't need a sense of self to experience all these.

- *Perceive experiences from the body-mind* without identifying with them, e.g. observe that "thoughts are surfacing" rather than "I think….".

Move away from **envy, possessiveness and self-importance:**

- *Give generously* to others, by offering your time, money, patience, forgiveness etc. Focus on compassion and kindness.

- Cultivate *healthy humility*, by noticing the good things about yourself and nurturing your self-worth, while acknowledging and caring for others. When your heart is full, you won't feel the constant need to impress others.

Increase your **connection with the world and with life:**

- Reflect on how your body exchanges *energy and matter* (e.g. sunlight, food and water) with the world. Think deeply about what you use daily, e.g. how your food is produced, distributed, and returned to the environment.

- Notice the space around you and how objects fit in as *part of a whole*. Realize that everything changes, including the

KEY QUOTES

"Try to keep remembering that who you are as a person dynamically intertwined with the world— is more alive, interesting, capable, and remarkable than any self."

"Paradoxically, the less your 'I' is here, the happier you are."

"It is not so much that we have a self, it's that we do self-ing."

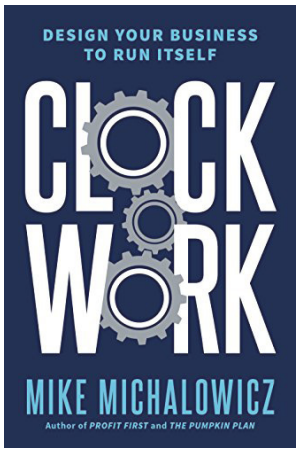
"Self is like a knotted fist: when you open the hand to give, there's no more fist— no more self."

"Fill the hole in your heart by taking in the good, once brick at a time."

"Love the person you are, much as you would care about any person dear to you. But don't love the self or any mere mind-object."

self. Reflect on how all life forms fit in this world and wish them well.

KEY QUOTES



CLOCKWORK

Design Your Business To Run Itself

MIKE MICHALOWICZ

The Big "So What"

Many entrepreneurs start out with a dream, but end up as slaves to their businesses. This book provides the principles and tools to help you design businesses that run like clockwork, so you can achieve success *and* regain your freedom to enjoy a healthy work/life balance.

Why Clockwork?

Many entrepreneurs are trapped in their businesses. They work long hours and even on vacations, are perpetually stressed and constantly think about work. They're **short of both time and money**, and dare not slow down lest the business collapses. Michalowicz's goal is to end entrepreneurial poverty. In his earlier book "Profit First", he tackled the lack of money. In this book, he tackles the lack of time.

Clockwork is built on a core principle: **Work smarter, not harder**.

- *Increasing productivity won't reduce your work hours*. Parkinson's Law says that work will expand to fill available time. When you're more productive, you complete your tasks faster but keep adding more to your plate to fill the free time, resulting in a vicious cycle of greater productivity but more work.

- Regardless of your company size (be it 1 person or 100), *organizational efficiency* is about getting the most important work done with the least resources. It's *not* about doing more. Unfortunately, it's easier to keep doing more of

KEY QUOTES

"It's not about doing more with less. It's about doing less with less to achieve more."

"I am committed to never again letting an entrepreneur live with lack: Lack of money. Lack of time. Lack of life."

"The more money we have to spend, the more we spend. The more time we have, the more of it we spend working."

"'Work harder' is the mantra of both the growing and collapsing business."

what's familiar (even if it's unpleasant or unimpactful) than to do what's truly important (but new or unfamiliar).

- Stop trying to solve every problem yourself. Don't get caught in the "*survival trap*", where you drop everything each time a crisis surfaces—you may feel good about solving a problem, but the business actually goes off-track and suffers in the long run.

- To regain your freedom, allocate *less* time for your business and force yourself to achieve more within that limited time. That way, you can *increase your impact and free up time* for other life priorities.

The 4Ds and 7 Stages of a Clockwork Business

The 4Ds. There are 4 key sets of activities that any entrepreneur must perform:

- *Doing*: In the start-up phase, most entrepreneurs (especially solopreneurs) do everything themselves.

- *Deciding*: As the owner hires employees or contractors, he/she may assign tasks to others. However, the owner is still giving all the instructions and making all the decisions. Until employees are given the chance to make their own decisions and take responsibility for them, they can't truly learn.

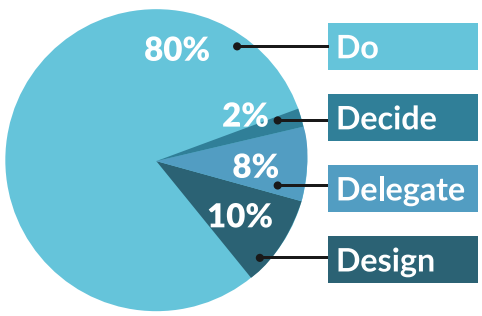
- *Delegating*: The employees are now empowered to make decisions about the task and are fully accountable for the results. However, the owner must let go of the need for perfection or full control.

- *Designing*: By now, the business can run on its own, and you're focusing on improving the business flow instead of being stuck in the daily grind. This is when you're truly free to enjoy your business and build your dreams.

The ideal 4D mix is:

- 80% doing

- 2% making decision for others



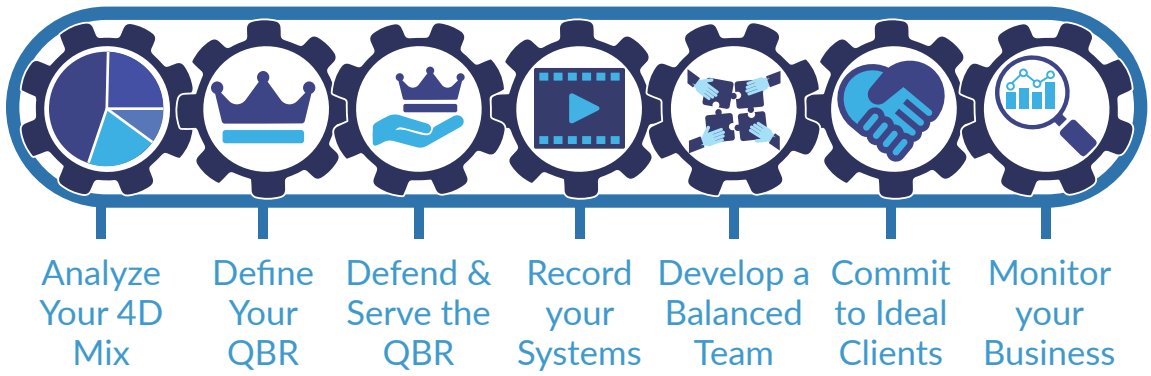
KEY QUOTES

"Life is about impact, not hours."

"Organizational efficiency is when all the gears of your business mesh together in harmony...It is about managing resources so that the important work gets done, instead of always rushing."

- 8% delegating outcomes
- 10% designing

Most entrepreneurs spend too much time Doing and not enough time Designing their business. You can progressively shift to the ideal 4D mix and build a Clockwork business in 7 stages.



Before you begin, **commit to the process**. Make yourself accountable to someone, e.g. send an email to a colleague/ friend to outline your commitment to redesign your business.

KEY QUOTES

"Trying to build a business by just Doing and without Designing is like walking through a dense forest while blindfolded."

Implementing The 7 Stages of Clockwork

1. Analyze Your 4D Mix

Analyze your company's 4D mix, starting with your own 4D mix.

- Fill in the *Time Analysis Worksheet* below for the last 5 days you worked, or start tracking your next 5 days of work.

TIME ANALYSIS WORKSHEET					
DATE	ACTIVITY	START	FINISH	TIME SPENT	WORK TYPE
					Do/Decide/Delegate/Design
					Do/Decide/Delegate/Design
					Do/Decide/Delegate/Design
					Do/Decide/Delegate/Design
					Do/Decide/Delegate/Design
TOTAL TIME: Doing _____ Deciding_____ Delegating _____ Designing _____					

- Add up the *total time spent* on each of the 4Ds and calculate the % of time spent on each component.

- Find the *4D mix for your company*, i.e. the aggregate of all employees' 4D mix. If you have a large company, develop charts to show the 4D mix for different departments.

- Compare your existing and ideal 4D mix to *identify the gaps*. For example, if your company's mix for Doing, Deciding, Delegating and Designing is 55/30/0/15 (vs the optimal mix of 80/2/8/10), too much time is spent directing people when it should be used to get things done or train people to make their own decisions.

Key Action(s)

- Set aside just **1% of your work time** to start designing your business.
- **Commit weekly time** in your calendar for the next 18 months. Choose a slot at the *start* of the week while your mind is fresh.

KEY QUOTES

"When your desired outcome is also their desired outcome, you are better able to let go and let your team do their jobs."

2. Define Your Organization's Queen Bee Role

Every bee colony has a queen bee, whose primary role is to lay eggs. Without this **Queen Bee Role (QBR)**, the colony can't thrive and grow. Hence, every bee's top priority is to protect and serve the queen bee so she can focus on performing the role. Only when the Queen Bee is properly performing her role do the bees go about doing their Primary Job. Your organization's QBR is the key function that your business success hinges upon.

Use the **Sticky Note Method** to define your company's QBR. Do this with your team (or on your own if you're a solopreneur).

- Prepare at least 6 sticky notes per person. Everyone writes down his/her *6 most important tasks* and the estimated time spent on each. Use 1 note per task (e.g. sales, communication).

- Next, each person *removes the 2 least important tasks*, i.e. pretend they can't do the tasks *at all* in future.

"A clockwork business is a business that delivers consistent results, including growth goals, without your active involvement."

Put away the 2 notes, explain why the 4 remaining tasks are more crucial, and how they'd elevate those tasks to cover the loss of the other 2.

- Remove 1 more task and repeat the justification process. Keep going until each person is left with only 1 most crucial task—this is the *Primary Job* which is second only to the QBR. Use the discussions to align what you and your employees think the Primary Jobs should be.

- If you're a solopreneur, your Primary Job *is* the QBR. If you have a team, collect all the notes with the Primary Jobs and repeat the process to distill the *company's QBR*. Different employees may have the same Primary Job, but there should only be 1 overarching QBR for the company. Ask yourself: does the success of your business truly rely on that *one role*? For example, the Savannah Bananas baseball team's QBR isn't to play extraordinary baseball; it's to provide the crowd with "extraordinary entertainment". Such clarity helps *every* person on the team to focus on entertaining the crowd before they move on to their Primary Jobs.

Key Action(s)

Use the Sticky Note Method to identify your company's QBR. Announce it to the entire organization.

3. Defend and Support the Queen Bee Role

Once you've identified your QBR, every person on the team must **protect and serve the QBR as a top priority**.

- Support people who're performing the QBR so they can give it their full attention. Once the *QBR is properly served*, things will fall in place and people can return to their own Primary Roles.

- In a hospital *emergency room (ER)*, the QBR is to accurately diagnose the medical issue and define the right course of action. This QBR is literally a matter of life and death, and every ER staff and system must protect the doctors' ability to perform that role. For example, doctors shouldn't have

KEY QUOTES

"If you don't pick the one thing, you will continue to dilute your business's uniqueness and cripple its ability to run on automatic."

"The QBR is never a person, or machine, for that matter. It is always a role, a function, or a task."

"The QBR is the linchpin to a business designed to run itself."

"Protect and serve the QBR as though your life depends on it, and your business becomes the 'must go there' for customers."

to handle admin tasks when there're ER patients waiting to be diagnosed.

Use the **Hub and Spoke Exercise** to see how far you (and your team) are focusing on the QBR, Primary Job vs other distractions.

- Create a *hub and spoke diagram*. Draw your QBR, add the other 5 key tasks (from the Sticky Note exercise) in boxes around the QBR, and connect them with spokes. The length of each spoke should be proportionate to the time spent on the task.

- Create a table of up to *10 additional tasks* with the time spent on each (refer to your earlier Time Analysis).

- The diagram and table will jointly give you a visual representation of the tasks keeping you from your QBR. "*Trash, Transfer and Trim*" the items, starting with those with the longest spokes and work your way inward to the QBR.

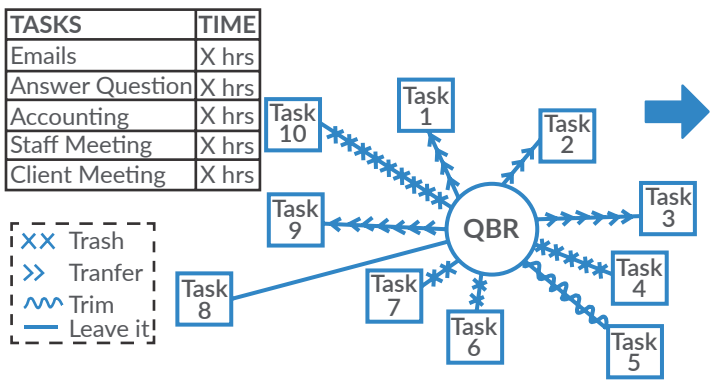
  (i) Cross out non-essential items that you can *thrash*, e.g. create an FAQ so you can stop replying to every question.

  (ii) Draw arrows for less-skilled tasks that you can *transfer* or delegate. If you have no one to delegate to, consider hiring an intern or freelancer to perform and trim the task.

  (iii) Draw a squiggly line on tasks that can be *trimmed*, i.e. things that only you can do but may be made more efficient.

  (iv) Darken the lines for items that you must *continue* to do in the near future, e.g. due to contractual obligations.

TASKS	TIME
Emails	X hrs
Answer Question	X hrs
Accounting	X hrs
Staff Meeting	X hrs
Client Meeting	X hrs



TASKS	TIME
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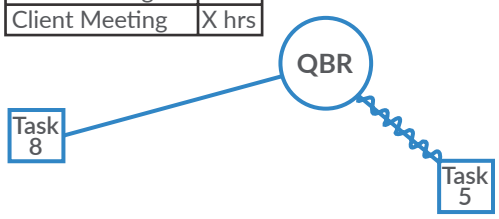
Staff Meeting	X hrs
Client Meeting	X hrs



KEY QUOTES

"Transfer work down to the most inexpensive resources and empower the new owner(s) of the task to achieve the intended outcome more efficiently."

"The goal is to have a few expensive skilled team members at your business, focused almost exclusively on doing the skilled work, and transferring all the other necessary, but easy, repeating tasks down the skill chain."

- Any time saved must be *redirected to the QBR*. Do the exercise yourself then for your entire company. Keep repeating the process so everyone is progressively maximizing their time on the QBR.

- *If you're currently the only one serving the QBR*, you can:

  (i) Get others to serve the QBR, by engaging your team in discussions on how best to protect/serve the QBR; or

  (ii) Choose to keep serving the QBR personally because you enjoy it (knowing that the business will still rely on you).

Key Action(s)

- Use the Hub and Spoke exercise to progressively remove distractions and increase focus on the QBR.
- Decide if you want to serve the QBR or have others do it for you.

4. Record your Systems

The QBR (and its related tasks) must be **delivered consistently**.

- Companies often use *Standard Operating Procedures (SOPs)*. This involves a laborious process of identifying your goals, breaking down the steps, documenting and updating them, yet people don't always follow the SOPs.

- Well, there's a simpler way. In reality, you *already* have a set of processes in your head that you currently use. All you need to do is to capture it: *record a video* of the task being performed and make it available as a training video.

- Even if you're a startup with no established systems, you can *find existing systems* on Youtube, then adapt them for your business.

To **record your systems:**

- Start by identifying the processes and approach involved, including (i) verbal/written communication, (ii) physical action and/or (iii) interaction with something (e.g. a

KEY QUOTES

"When you serve the QBR you are the heart of the organization. When you choose to have others serve the QBR, you become the soul of the organization."

"Waste of materials, waste of money, and waste of time are the bane of every business and must be addressed constantly."

"The systems have already been created. Your job is to capture what is in your head, or to use what other people have already captured from their heads."

"The goal is not to create systems; the goal is to capture systems—and do it easily."

computer or cash register). Every business activity can be captured under one of these *4 categories of the ACDC model*: Attract, Convert, Deliver and Collect.

- *Create a directory* titled "Systems", with 4 folders for the 4 categories above. Make this accessible to your team. Capture each activity in a video, label it clearly and file it in the right folder.

- You can now *delegate the task*. If an employee has a question, guide him then get him to improve the existing video, so you create a learning cycle where the student becomes the teacher.

- Have only *1 person accountable for each outcome*, determine how to measure the system's success and who to report it to.

- You can also use the *Traffic Light System* to help team members to prioritize tasks with labels: red (urgent), green (not urgent), and yellow (in between).

To free yourself from the QBR, you need to **delegate properly**.

- This is actually an *educational process* that happens in stages. Initially, you assign the tasks (but still make the decisions). Then you offer up the decision-making responsibility (but still own the results). Eventually, the employee is responsible for setting *and* achieving the outcomes. If your team isn't doing what you want, it means you need to give more detailed guidance.

- *Get your employees to interview you* and record the processes, so they can extract the details needed to perform the tasks ideally.

- Once you've delegated a task, *don't intervene* whenever a staff asks for direction. Instead, ask questions like, "What do you think is the best approach?" Even if you

KEY QUOTES

"Always have one person accountable to the outcome... That way, you know who to talk to when there are problems in need of a solution."

"We get upset that 'they can't do what I want,' but that's because we haven't told them what we want."

"Stop training your employees to be idle by deciding for them. Have them move your business forward by empowering them to make decisions."

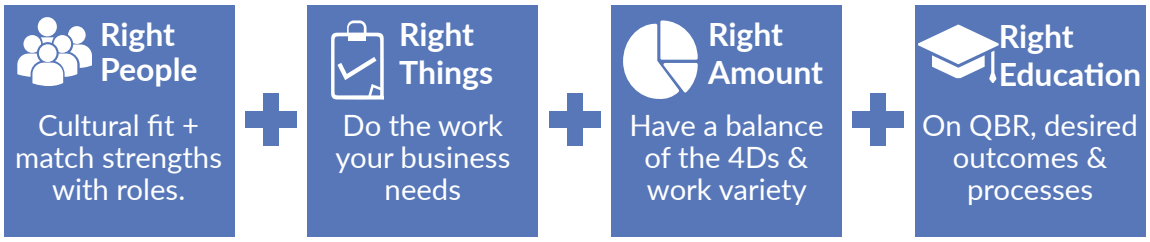
disagree with their solution, let them proceed unless there'll be dire consequences. Only do a debrief after they've executed the decision.

Key Action(s)

Start by capturing just 1 system: Record it, delegate the task and let the person continue the cycle of teaching and refinement.

5. Develop a Balanced Team

Everyone has strengths and weaknesses. Focus on what you thrive on, and delegate other tasks to people who can do them much better. Your income may dip temporarily when you hire someone, but the right hires should deliver results within a year and gradually free you up to focus on what you do best and love most. Build a **balanced team with complementary skills**. The key is to "have the right people, do the right things, in the right portions, right".



Hire the Right People. You need a team for your company to run without you. Hire the right people with the cultural fit, then put them in the right roles that match their strengths/passions.

- *When to hire*: It's never too early to start hiring; the challenge is finding the *right person* for your business at any point in time. Even if you can't afford a full-time employee, you can find a part-timer who can relieve you of some of your workload.

- *Who to hire*:

  (i) Hire for *personal traits* like attitude, passion, strengths and cultural fit. Don't hire for skills—skills can be taught, but the other elements can't.

  (ii) Don't hire people who're just like you. Go for *diversity and the required complementary strengths*, e.g. do you need someone analytical or creative, detailed or strategic?

KEY QUOTES

"You want to hire people with a great get-it-done attitude, high energy, and high intelligence, people who are a strong cultural fit and who have a desire to do the work you need done."

"Have the right people, do the right things, in the right portions, right."

"Hire diversity. Don't hire people you like; hire people you respect."

- In your job ads, describe your culture and job role, with an instruction toward the end e.g. use "This is my dream job!" as the application email title. This will *weed out job spammers* who apply without reading the job details.

- *Build trust gradually*: start the new hires with small tasks, then gradually increase their responsibilities until they can operate independently.

- The right people will resonate with your mission and see themselves as an integral part of your company. *Align your team* by sharing and telling stories about your mission.

Put people in the right role. Do away with the traditional hierarchy and focus on placing the right people for each role.

- Do the *Job Traits Analysis*: List down the jobs/tasks for each position, identify the core traits needed to excel in the role, the level of impact on the company, and the current vs ideal person for the role.

JOB TRAITS ANALYSIS				
JOB/TASK	TRAITS TO EXCEL	IMPORTANCE (QBR/ High/ Med/ Low)	CURRENT person serving the job	BEST person for the job

- Do the *Time Analysis for your team* to determine individuals' 4D time allocation and the team average. Work toward the ideal 4D mix of 80/2/8/10, focus on QBR, leverage strengths for each employee, and have the entire company Trash, Transfer and Trim. These jointly ensure that everyone is progressively focusing on the highest value tasks while retaining a company-wide balance.

Key Action(s)

- Each week, focus on 1 exercise in this step so you'll progressively put the right people on the right jobs, with the right 4D balance.
- Define the traits for your 10 most important daily tasks, and match them with the employees with those traits.

KEY QUOTES

"Purpose is the intersection of something that gives you joy and has a positive impact on others."

"Instead of a traditional topdown organization chart, an optimized company is more like a web. You never restrict employees to one job function."

"Your goal: Match people's best traits to the jobs and tasks that need those traits."

6. Commit to your Ideal Customers

Clarify who your top/ideal clients are and commit to them so you have a singular focus for your QBR. The end-goal is to have a simple company mantra: "Our commitment is to serve [Whom] by [How]."

- The more variables you have, the harder it is to deliver a consistent outcome. By focusing on 1 specific group of people, you *reduce the # variables* to deliver your QBR predictably.

- Beware of focusing so much on customer needs that your business no longer reflects *your* goals and passions. Instead of pivoting your business to suit what customers want, *align* what you want with what the customers want.

- Once you know your target audience, you can duplicate them. Companies often define target customers by psychographics, then realize they don't know how to reach those customers. It's more useful to identify target customers by *congregation points*, i.e. physical or virtual spaces where like-minded communities meet regularly, e.g. a book club or farmer's association. Get access to the communities and show that you can address their needs and wants.

Clarify your top clients ("whom") using the Crush/Cringe Analysis:

CRUSH/CRINGE ANALYSIS			
Customer	Crush/Cringe	Community	Congregation Points

- List your *existing customers* in order of revenue (most to least). Indicate if you love them (crush), hate them (cringe) or a mix of both (crunge).

- List the *communities* they belong to (e.g. industry, consumer groups) and their *congregation points* (e.g. trade associations, Facebook groups).

- *Note*: The crush/cringe label does *not* reflect market viability since there're good/bad customers in all segments.

KEY QUOTES

"Know your QBR first. That is your and your company's heart. Then know the whom. And pair it with the how."

"Don't pivot to the customers' desires. Instead, align your desires with the customers who want it."

"The Commitment concentrates the awesome energy of the QBR in a way that will ignite your business efficiency (and growth) like never before."

The goal is to help you to focus narrowly on a niche then broaden it. Focus on segments with (i) active communities and (ii) multiple congregation points that you have access to.

To serve your ideal customers ("how"), start with a small niche that you serve really well. Then, expand to new markets as you continually deliver your QBR and improve your solution. For example, UGG started with boots that kept surfers' feet warm and dry; over time they expanded their range/reach, and now offer a variety of footwear globally.

Key Action(s)

- Develop your company mantra by defining your commitment of "Whom" and "How". Place it somewhere visible.
- Assess if your team has the traits needed to serve this niche. If not, rebalance and restructure your team accordingly

7. Monitor Your Business

Set up your business such that you can **monitor it at a strategic level**. To do that, you need metrics that give you a good overview of the business. It's like how the car dashboard shows you all the critical indicators (e.g. speed, petrol level, engine temperature) so you can see at a glance if everything is going smoothly or if something needs attention.

- With the right indicators, you can manage your business with just a few hours a week, like how a master chess player moves the pieces on a chess board. Your goal is to identify *bottlenecks* to business productivity, and remove them one by one, starting with the weakest link.

- A metric must be measurable and comparable (e.g. a number, a binary "yes/no"). Identify *5-8 key metrics* that'd give a good overview of your business. Make sure you include:

  (i) ≥1 metric for each of the *4 ACDC categories*, e.g. # people visiting your store (Attract), # of customers (Convert), # positive reviews (Deliver), % customers who pay (Collect)

  (ii) ≥1 metric for your *QBR*. Since the QBR is unique to each company, you must choose the metric carefully.

KEY QUOTES

"If you want big success, you need to first focus on a small community, and then empower that community to carry you to bigger markets."

"The goal of metrics is to measure the effectiveness of your company, and likely areas to find bottlenecks."

For example, Profit First's QBR is to spread the word on Profit First, and they measure this via the number of presentations being made (including live events, podcasts etc).

- Any metric that's higher or lower than expected should be investigated. To identify the root cause, *test 1 variable at a time* and record the results. Do *not* test multiple variables concurrently as they may influence one another to mask the real issue. However, you can do multiple tests if the outcomes are clearly independent.

When you successfully serve your QBR, you may find yourself struggling to cope with the **growth in demand**. For example, an explosion in new leads can create a conversion bottleneck. If you need $1mil sales this year (50 clients x $20k each) to achieve your long-term goals, then you can ease the conversion load by creating an automated process to filter out customers with >$15-20k budget for follow up.

Key Action(s)

Take 20 minutes to determine the core metrics for your business. You can also get professional advice from RunLikeClockWork.com.

Building your Clockwork Business

Building a Clockwork business takes time and effort, and you'll definitely experience **resistance to change** at various levels:

- *Self*: As your business starts to run without you, you may feel redundant and unappreciated. Resist the temptation to reinsert yourself in the business and start Doing things. Stay focused on the hardest work: to think deeply and Design the business.

- *Partners and stakeholders*: Your business partners, employees, vendors and other stakeholders are likely to push back. They may argue that you aren't doing enough, or question the changes out of insecurity. Generally, partners are the hardest stakeholders to manage—help everyone

KEY QUOTES

"Yes, change is hard. It is also going to get you what you want: a business that runs itself."

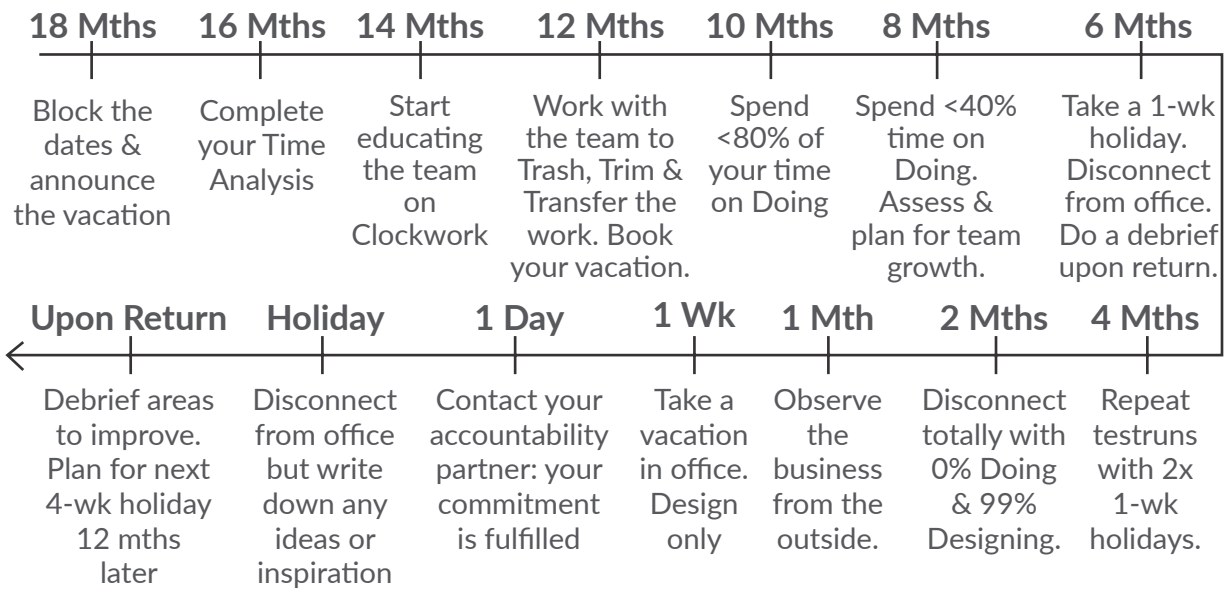
"Instead of doing the work, you need to be thinking about the work, and who you can get to do it."

on the executive team to understand the value of creating a Clockwork company and why you must shift from Doing to Designing. Set aside time to communicate your plans and goals, gather feedback, address concerns and help people to understand what to expect and where they'll fit in.

The final step is to take a four-week vacation, during which you disconnect from the business and let it run by itself.

- A 4-week period is typically long enough to complete a business work cycle. If your business can survive without you for 4 weeks, it can probably continue to run on its own.

- In the book, Michalowicz details an 18 month plan to help you work toward that 4-week holiday. Here's a brief outline:



Key Action(s)

- Engage people in open conversations about the company's direction and address their concerns on the transition.
- Start working toward your 4-week holiday 18-24 months later.

Other Details in the Book to Look out For

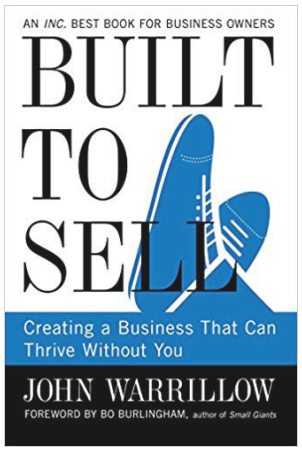
This is a detailed guidebook with many case studies of the various Clockwork concepts at work, including examples of real-life entrepreneurs who have used the principles in their businesses. Michalowicz ends with a detailed 18-month plan to help you roll out the 7 steps. For more details, and resources, please visit RunLikeClockWork.com.

KEY QUOTES

"Clockwork is not a system for you. It is a system for your entire company. Everyone needs to know it. Everyone needs to be on the same page."

"That is the power of Clockwork. You aren't forced to leave your business; you are freed to leave."

"No matter what you have or don't have; no matter what challenges you face and what mistakes you've made; no matter what, you can grow a profitable business that runs itself."



BUILT TO SELL

Creating A Business That Can Thrive Without You

JOHN WARRILLOW

The Big "So What"

One of the most common mistakes entrepreneurs make is to build a business that depends too much on them. They become stuck in the business and can't sell it even if they want to. Through a parable, Warrillow illustrates an 8-step model that you can use to turn your business into one that you can sell. This is a must-read book for any business owner to learn how to develop options to exit their business.

Introduction

For many small businesses, especially service firms, the owners *are* the business. They are so good at what they do that they become the go-to person in the company. Unfortunately, such businesses aren't scalable or sellable, so the owner has no choice but to keep slogging on.

Warrillow estimates that probably only 1 in 100 businesses are saleable. Regardless of whether you intend to sell your business in future, you should always create options for yourself by building a business that's valuable, scalable and sellable. After studying and interviewing hundreds of entrepreneurs, and building/selling his own businesses, Warrillow presents an 8-step action plan to help you build a sellable business.

The fable is about a fictional entrepreneur, Alex Stapleton, who is struggling to sell his marketing agency. With the help of a family friend, Ted, Alex manages to transform and sell his company. In this summary, we'll explain the 8-step model (with associated tips) for selling your business as we follow Alex on his journey.

KEY QUOTES

"The best businesses are sellable, and smart businesspeople believe that you should build a company to be sold even if you have no intention of cashing out or stepping back anytime soon."
—Bo Burlingham

"The idea is to have as many choices in the future as possible."
—Bo Burlingham

Backdrop to the Fable

When Alex started The Stapleton Agency, he envisioned hiring top talents, doing prestigious marketing projects and growing a multi-agency holding company. Yet, 8 years later, he finds himself with an average team that's underqualified for the wide range of marketing services they offer. Alex has to personally bring in the sales, manage the clients (who will *only* deal with him) and struggle to make the monthly payments. Although he manages to clinch a large account with the First National Bank after years of serving small businesses, Alex finds himself at the client's beck and call and feels as if he's groveling for scraps.

Alex is tired, wants more time for himself and his family, and decides to sell his company. He approaches Ted Gordon, a family friend and serial entrepreneur, for help. Alex is shocked when Ted tells him that his business is worthless—The Stapleton Agency has no differentiating factor, is overly-reliant on him and 1 large client that contributes to 40% of its revenues.

A generic, owner-dependent business like The Stapleton Agency can at best be sold under an earn out agreement, which means that Alex will get a small amount upfront for the company, with the remainder being paid only *if* he successfully achieves pre-agreed targets for 3-5 years. He'll bear the bulk of the risks, while the acquirer enjoys the bulk of the reward from success. To sell his company without getting stuck in an earn out arrangement, Alex must first transform it with Ted's help.

KEY QUOTES

"A business reliant on its owner is unsellable so the owner becomes trapped in the business."

The 8-Step Model to Sell Your Business

Before you start on the 8 steps below, make sure you engage an accountant to help you strategize how to minimize your taxes when you sell your business.

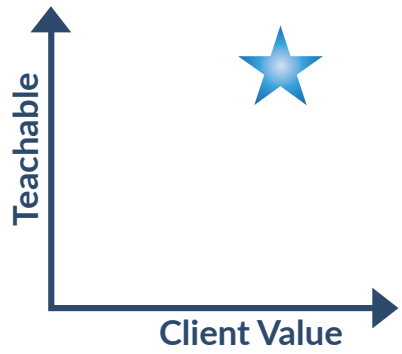
1. Develop a Standard Service Offering (SSO)

The Model. An SSO is a consistent process for delivering a specialized service that you focus exclusively on.

- *Identify a service* that's valuable to your client *and* can be taught to someone else. List down all the services you

"If you specialize, you can hire specialists and improve the quality of your work."

currently provide and plot them along 2 axes: teachability and client value. Your goal is to identify a service that (i) is high on both axes and (ii) will be needed by your clients on a regular basis (to provide a source of recurring revenue). You can also bundle ≥2 services to find your ideal offering.



- *Document your process*, breaking it down into specific steps that can be consistently repeated. Write an instruction manual detailing each step, including examples and templates to make it as easy to follow as possible. Test it on your team and keep refining it until your team members can deliver the service independently without your intervention. Be patient since the process will take time and multiple rounds of revisions.

- *Brand your offering* by (i) naming the SSO, (ii) naming each of the steps, and (iii) briefly describing the features and benefits for each step. It's vital to position your company and offering, so you can stand out from competitors and command the desired price and payment terms. Include your SSO in all your customer-facing communications, e.g. website and brochures.

The fable. Alex's first task is to identify what The Stapleton Agency is *really* good at. The answer is logo creation, which they do using a proven 5-step process. Clients need logos each time they launch a major new product or unit, and are typically willing to pay a good fee since each logo will be used for a long time.

- With Ted's guidance, Alex develops the "*Five-Step Logo Design Process*" which includes:

  (i) Visioning: Clients are asked to describe their product vision and differentiation.

  (ii) Personification: Clients are asked to personify their product e.g. if the product is a famous person, who will it be?

  (iii) Sketch Concepts: Initial ideas are presented to clients using freehand sketches. Such sketches help clients to

KEY QUOTES

focus on high-level concepts, whereas computer drafts tend to shift their focus to minor design details like font, lines or colors.

(iv) Black & White (B&W) Proofs: The client's preferred concept is developed into computer-generated options in B&W.

(v) Final Design: Detailing and colors are added only after the client has selected a B&W concept.

- Alex condenses the 5-step process into 1 page, and starts contacting dormant clients to pitch the SSO, *refining his pitch* as he goes. Within 2 weeks, he has contacted 24 clients, held 6 meetings and closed a $10,000 sale to Ziggy, a past client who's about to launch a new line of low-fat yogurt.

- Alex then creates an *instruction manual*, capturing details for each of the 5 steps above, such as the exact questions to ask clients, personification examples, logo color combinations etc. He keeps testing and editing the manual to help the team execute the process without him.

Tip: Be a specialist, not a generalist. It may seem scary to cut back from a full-service marketing agency to focus *only* on logo design. However, a small firm that tries to do too many things will end up hiring generalists who're mediocre compared to talents from larger firms. By focusing on a specific area, you can hire specialists to become #1 in your niche. When you're truly confident about your expertise, it also makes your pitches much more compelling.

2. Build a Positive Cash Flow Cycle

The model. Buyers will only be interested in a business with a positive cash flow cycle, i.e. it generates cash.

- To achieve that, you must *charge upfront* for your SSO. Ideally, get the full payment upfront. If not, use progressive billing so you have enough cash to cover the expenses as you work on each project.

- This allows you to operate without extra loans or equity injection, and will fetch a higher valuation from acquirers. However, you need a *strong SSO* from Step 1 above.

KEY QUOTES

"Pitching a process you own puts you in control."

"Create a positive cash flow cycle, which will give you the cash you need to operate without diluting yourself with other shareholders."

The fable. Alex realizes that he's been struggling with his bills because of the firm's negative cash flow cycle—there's a 4-5 months' gap from the time they start working on a job till the time they get paid. The more projects they have, the worse the cash flow. Alex revises the terms of payment for logo creation: by collecting $10,000 for each logo upfront, they get enough cash to finance the projects and create a positive cash flow cycle.

Tip: Think like a product company, not a service company. Clients are typically prepared to pay upfront for a product, but not for a service. Moreover, services rely on people who may come and go anytime, whereas standard products can be delivered without relying on any one person, including the owner.

3. Hire a Sales Team

The model. To build a sellable business, you need to show that (i) you don't need a superstar to bring in the sales and (ii) you have a diverse client base (such that no single client constitutes more than 10-15% of your revenue). The 2 steps above (creating, packaging and charging upfront for an SSO) paves the way for you to build a sales engine that delivers predictable, recurring revenues.

- Your goal is to set up a *sales process that works consistently across all clients*. Avoid salespeople who're used to selling professional services—they tend to use consultative selling which ends with heavy customization. Hire salespeople who (i) love to sell, and (ii) are strong in selling products.

- Ideally, *hire ≥2 salespeople* to generate friendly competition and to show that your process works for various salespeople.

- Track your *sales conversion rates* so you can better estimate your market potential.

The fable. For weeks, Alex manages his existing business while he works on the Five-Step Logo Design Process. After he sells his 2nd logo for a condo project, Ted advises him to hire a sales team that can predictably generate logo sales without him.

KEY QUOTES

"A service company is simply a collection of people with a specific expertise who offer their services to the marketplace."

"To sell your business, you need to demonstrate to a buyer that you have a sales engine that will produce predictable, recurring revenue."

- To work out *how many sales reps* are needed, Ted and Alex research the number of target companies in the area with ≥$1mil annual revenue. If they can close cold prospects at half of Alex's 4.5% closing rate with existing clients, the market potential should be around $11.6 mil (2% x 58,000 target companies x $10,000 per logo). If each salesperson can sell 50 logos per year, they'll need 2 salespeople to hit a $1 mil revenue target.

- Earlier, Alex had shared the company's new direction with the team, and received mixed responses. To hire the sales reps, he decides to *let go of existing staff*, including his lousy copywriter and 2 designers (one with an inflated ego and another who isn't keen to do templated logo designs).

- Alex hires Angie, a top saleslady who loves to sell and is experienced with selling mobile phones and yellow pages ads. Angie is competitive, disciplined and systematic, and keen to help build a sales team with a *structured sales process*. Meanwhile, Ziggy is pleased with the logo created by Alex's staff, Rhina and Chris. Alex decides to split the 5-step process between them, with Rhina handling account management (steps 1-2) and Chris handling the design work (steps 3-5).

4. Stop accepting projects outside of your SSO.

The model. Commit to your SSO and reject all other projects. This is the toughest step, since your clients and employees will keep pushing you to make exceptions, and you'll be plagued by self-doubt. Transforming a business for sale takes time—resist the temptation to give in, stick to your SSO and you *will* see a distinct shift over time.

- The short-term revenue and cash flow from other projects are not worth the *long-term costs*.

  (i) Clients will know you aren't serious about specialization, and continue to push for more customization.

  (ii) You must hire more people to handle the generalized services, most of which will be outside your sweet spot or core capabilities. This distracts you from building a real differentiating factor.

KEY QUOTES

"Not only is an acquirer going to want to know how big your business could become, they will also want to know that you have a predictable sales engine that allows you to estimate how many sales you can make."

"You can't be "kind of" a specialist. Either you specialize or you don't."

- Once the first 3 steps are in place—i.e. you have an SSO you can charge upfront for and a team to independently deliver the sales and products—you must *drive the model as fast/far as possible for at least 2 years*. This is vital to (i) build your business and financial track-record and (ii) strengthen your cash position so you won't need an earn out to survive. During this period, do not add projects outside the SSO, or get personally involved in sales/operations. If problems arise, focus on fixing them at a systems level.

- In the first year of your switch, ignore your *profit and loss* (P&L) and focus only on cash flow. Your P&L may look bad on paper because of accounting practices to spread the revenue across the product delivery period. In reality, your cashflow will improve.

The fable. Alex soon finds himself struggling with his decision to specialize. First, he has to pass on an invitation to pitch for an ad campaign. Then, he receives word that the proposal he submitted earlier to a huge sports company has been accepted. Alex badly wants the contract as it'll bring a significant $50,000 revenue a month. He also has to inform his existing clients that he can no longer support them on marketing areas outside of logo design. Faced with the financial impact and his clients' disappointment, Alex finds himself having second thoughts.

- However, Ted reminds Alex that true specialists don't take on random work, e.g. heart surgeons won't treat ankle sprains. He assures Alex that The Stapleton Agency will get many *more referrals* once it establishes itself as the world's best logo creator.

- Meanwhile, Alex hires a 2nd sales rep, Seamus. Angie and Seamus soon develop a *sales rhythm*, with 8-10 weekly appointments and 1 weekly logo sale each. For the first time, Alex is no longer the one bringing in the sales.

- Despite the progress, Alex is shocked to hear from his accountant that they're making losses. Although they're collecting $10,000 upfront per logo, the revenues are spread across 3 months to show only $3,333 per month. *Lower profits* mean lower bonuses that year.

- During his planning exercise, Alex decides on the *dream figure* of $5 million to sell his company. Ted advises him to

KEY QUOTES

"There is a point where the wind will start blowing the other way and your clients, employees, and stakeholders will finally realize that you're serious about focusing on one thing."

"Think of this as very mild short-term pain for a very big gain down the road."

write down the number on a card, seal it in an envelope and keep it safe. Alex also sets the target of $2.5mil annual revenue the following year with 15% pre-tax margin. He reflects with satisfaction that he now has a steady stream of new customers, a team that can operate without him, and extra cash to invest each month.

5. Launch a Long-Term Incentive Plan for Key Managers

The model. It's vital to have a management team that (i) can run the business without you and (ii) will stay after the company is sold.

- *Don't use equity* as a retention tool as it'll only complicate things. Moreover, equity is only valuable if there's a demand for the shares (which may not be the case for a small service firm).

- It's better to develop a *long-term incentive plan* for key managers. For example, you can reward managers with performance bonuses for achieving their annual targets. In addition, set aside matching annual bonuses into a long-term incentive account. After 3 years, each manager can withdraw 1/3 of the amount from their pool of funds. The pool will grow each year to match their personal achievement, but they can only access it if they stay for at least 3 years.

The fable. With his new focus, Alex steadily expands his team to 5 salespeople, 2 account directors, 2 designers, 1 coordinator and 1 accountant. However, the original team is starting to feel stretched between their own work and the burden of training and managing the new staff. It's time for Alex to build a management team that can run the business without him.

- Angie is promoted to Vice President (VP) of Sales, Rhina to VP of Client Services, and Chris to VP and Creative Director. They're offered the long-term incentive plan and given a 7% pay raise for the additional management roles. The Stapleton Agency sells 250 logos and closes the year with $2.7mil sales and $490k pre-tax profit. Alex aims to double revenues again the next year to $5mil with $1mil pre-tax profit.

KEY QUOTES

"Only use equity as a last resort for motivating and retaining your management team. Consider alternative forms of long-term incentive plans."
"As an employee, I'd much rather have an understandable cash bonus plan over being a minority shareholder in a closely held small business."

6. Find a Suitable Broker

The model. As you drive the model over the 2 years, your business may improve so much that you no longer wish to sell it. However, if you're still committed to proceed, then you must find a broker to represent you.

- Get recommendations from entrepreneurs who have successfully sold their firms. An *ideal broker* should (i) have a proven track record in your industry, (ii) truly appreciates your SSO so they can push for a competitive selling price, and (iii) be of the right size such that you're neither their largest nor their smallest client.

- Avoid brokers who only propose a single buyer, as they may be using you as a pawn to please their top client. You'd want some *competition* to generate the best selling price.

- Your broker will work with you to create "*the Book*"—a document that describes your business, performance and future plans and prospects. They'll usually charge a percentage of the deal value.

The fable. By now, The Stapleton Agency is doing much better and Alex is less stressed. If they hit $5mil pre-tax revenues this year, Alex can probably sell the business for his target price. Ted warns him that if he proceeds, there'll be a 6-8 months roller coaster ride and no turning back thereafter. An alternative is for Alex to declare a larger bonus and keep growing the company. Alex decides to go ahead with the sale.

- Ted refers Alex to 2 *brokers*. One of the brokers instantly suggests a potential buyer, while the other (Peggy) is impressed with what Alex has built and suggests researching into companies with a strategic fit (e.g. printing companies that can use logos as a trojan horse for larger printing contracts). Alex decides to go with Peggy.

- Next, Alex must develop a *3-year business plan*. Since the acquirer will be a large company that wants rapid growth, Ted advises Alex to think big and show how huge the logo-creation business can grow given unlimited resources. Using Starbucks as a benchmark, Alex draws up a plan to show how they can reach $12 mil annual revenues in 3 years,

KEY QUOTES

"The firm you select needs to be large enough to be respected by a potential buyer, yet small enough that your deal will be important to them. Ideally they will have also done some deals in your industry."

"For you to get the highest valuation for [your company], you need to show how you can be an engine of growth for an acquirer."

by adding satellite sales offices and telemarketers to reach more businesses.

- Based on this plan, Peggy works with Alex to shortlist 23 *potential acquirers* with a strong strategic fit and enough cash. She contacts the companies with a 2-page teaser on the business opportunity, and interested buyers will sign a non-disclosure agreement to get The Book.

Tips/Insights:

- Continue to keep a close eye on your *business performance* even as you work on selling the company.

- *Be deliberate with your choice of words*. Use words like "Current Year" to describe your first year numbers instead of "Forecast". Present your business as a product company with a scalable, repeatable process. Use products-related words (e.g. customers, company and contract), and avoid services-related words (e.g. clients, firm and engagement).

- *Strategic vs financial buyers*. Strategic buyers tend to pay more as they consider your business' long-term value assuming they put their resources behind it. Financial buyers tend to push for a lower price to maximize their return on investments.

7. Inform your Management Team

The model. The prospective buyer will eventually need to meet your team. It's better for the team to hear about the sale from you than from the grapevines.

- *Present the sale from the managers' perspective*: help them to see what's in it for them if the deal goes through, e.g. better career prospects, higher chances of hitting their personal bonus targets and growing their long-term incentives.

- You can also offer a *cash bonus* if the deal is closed successfully, but pay it out in ≥2 installments as an incentive for people to stay.

KEY QUOTES

"Think big; remember that the company that acquires you will have more resources for you to accelerate your growth."

"Stop using the language of a service firm and start using the language of a sellable business."

"Take off your conservative business owner hat and imagine what is possible."

The fable. Of the shortlisted companies, 4 signed an NDA to get The Book. It's time for Alex to tell his management team of the potential sale. Alex feels guilty about reaping the financial gains after the team has worked so hard to grow the business. Ted reminds Alex that he's spent *years* building the business and bearing the full financial risk. Alex calls for a meeting to explain why they need more resources for the next level of growth, and how the team can benefit from being part of a bigger company. To Alex's surprise, the team welcomes the news.

Tip: When you meet the prospective buyers, be prepared to answer in-depth questions about your business model, sales process, cash flow, profit margin etc. You're also likely to be asked why you are selling the business. Ideally, convey your excitement about the company's future, say you want to tap on the buyer's resources for the next level of growth, get some liquidity for the value you've created, while having the option to participate in some of the upside in future. You don't have to commit to an earn out, but you should minimally indicate your *willingness to help with the transition*.

KEY QUOTES

"Buyers understand that entrepreneurs want to put some cash in their jeans but nobody wants to buy a sinking ship where the captain is about to jump."

8. Convert the offer(s) into a binding deal

The model. After the management presentations, you may get offers in the form of non-binding Letters of Intent.

- It's common for the offer to include an *upfront fee and an earn out fee*. Review the offer based on the upfront fee. Treat the earn out fee as an optional bonus, i.e. you must be able to walk away anytime if things get unpleasant after the sale. Don't be swayed by your advisor (who has a vested interest to close the deal) nor by promises to help you achieve your earn out targets.

- Be prepared for a relatively painful *due diligence period* of 60-90 days. Stay calm and present the best possible picture without lying. Since most offers are non-binding, the buyer may walk away from the deal at any time. It's also common for the buyer to reduce the offer price after the due diligence period, knowing that you're already heavily invested in the process. Review the new offer objectively and walk away if it doesn't meet your goal.

"As long as you get what you want for the business up front, and treat the earn out as gravy, you can walk when things get nasty."

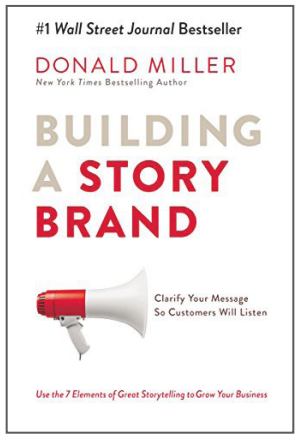
The fable. Alex and Peggy meet with 2 different printing companies. After weeks of anxious waiting, they receive an offer from one of the companies, PTG, for $6mil plus an additional $3mil if the revenue/profit projections are achieved at the end of 3 years. However, this is a non-binding offer contingent on an exclusive 60-day due diligence process.

- Over the next 45 days, Alex endures an exhausting *due-diligence process*. He's interrogated on details like their market projections and processes, while PTG's rep scrutinizes their ops and documents. Ted then advises Alex to apply some pressure for a decision by the end of the 2-month exclusive window—he assesses that PTG probably won't want to waste its weeks of effort/resources.

- Finally, after 8 weeks of due diligence and 6 months of hard work with Peggy, Alex receives a final offer of $5.2mil. The number was revised downward from the original $6mil since PTG disagrees with the market potential calculations. Alex almost rejects the deal in anger. However, he opens the dream figure that he sealed away over a year ago, and realizes that the revised figure still meets his target. He accepts the deal and *The Stapleton Agency is finally sold*.

KEY QUOTES

"Every negotiation reaches a point where you need to communicate to the other side that they've pushed you as far as they can."



BUILDING A STORYBRAND

Clarify Your Message So Customers Will Listen

DONALD MILLER

The Big "So What"

Marketing campaigns are often a waste of money because of ineffective messages. This book presents a 7-part framework to help you present a clear, effective message that'd get your customers' attention and grow your business. It can be used for any industry or size of business.

Introduction

To win over your potential customers, you must first understand how they think. All human beings are fundamentally driven by our primitive survival instincts.

- We're constantly scanning the environment for things that can help us to *survive and flourish*; and
- We try to do this with the *least amount of energy/effort*.

Most brands make **2 key mistakes** in their marketing campaigns:

- They *focus on their brand/company* instead of how they can help the customers to survive/thrive.
- The message is *too complex*. If your message can't be understood in 5 seconds, it's not simple and repeatable enough.

Stories are powerful because they combine seemingly-disconnected parts/events into a coherent whole, and are thus easy to follow and remember. The StoryBrand framework is a proven formula for storytelling and communication.

- The key to a great message is *clarity*. To achieve clarity, you must *eliminate noise*, i.e. cut out irrelevant information that creates clutter and confusion.

KEY QUOTES

"Whether we're writing a story or attempting to sell products, our message must be clear. Always."

"What we think we are saying to our customers and what our customers actually hear are two different things."

"People don't buy the best products; they buy the products they can understand the fastest."

"The key to great writing isn't in what they say; it's in what they don't say."

- This framework uses *7 plot points* to filter out noise and present a clear, compelling message. It's like having 7 musical chords that can be combined to create an infinite number of musical pieces. In fact, if you examine any blockbuster movie—from Hunger Games to Star Wars—you'll see the same formula at work.

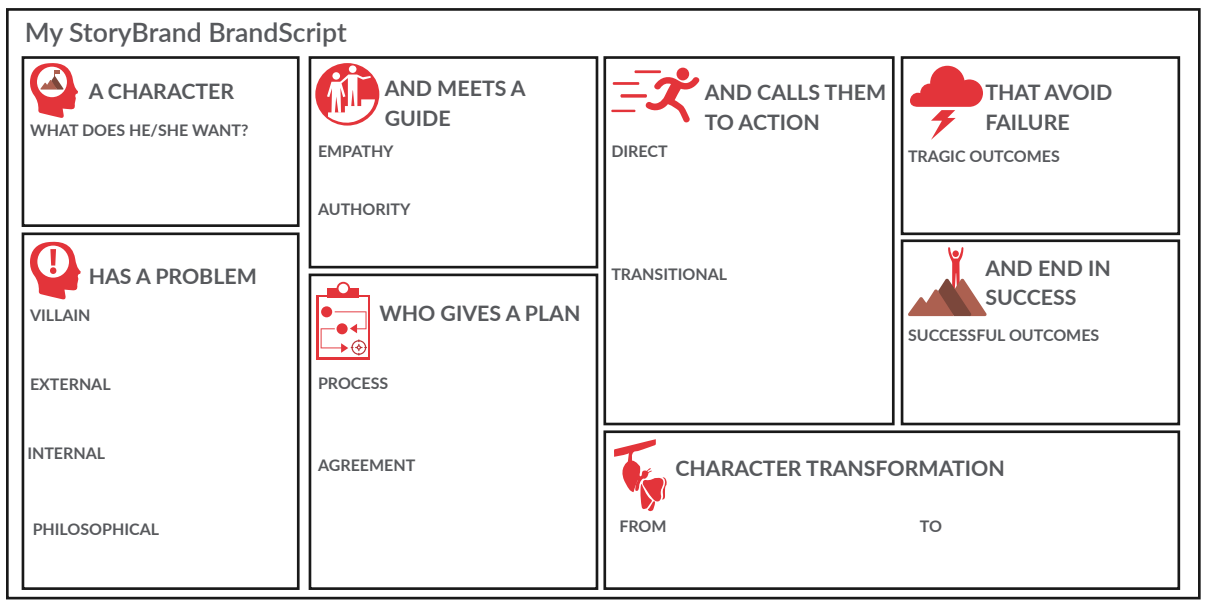
- Your message must be so clear and simple that it passes the "*grunt test*", i.e. even a caveman can instantly grasp it and grunt out the message. When this message is repeated over and over, it crystallizes what your brand stands for and where it fits in your customers' story.

Here are the **7 plot points** in a nutshell: A Character (who wants something) has a Problem that he/she is struggling with. A Guide enters the picture, gives a Plan and calls the character to Action. As a result, the character manages to avoid Failure and attain Success.

In the next section, we'll zoom in on the details for each of these 7 elements. You can create your **1-page BrandScript** for free at mystorybrand.com.

- Miller recommends that you read up on each element, then pause to brainstorm potential options before filtering down to 1 message per section.

- Start by creating the BrandScript for your overall brand, then move into the BrandScript for each of your divisions or even specific products and customer segments.



KEY QUOTES

"If we want to connect with customers, we have to stop blasting them with noise."

Develop your StoryBrand BrandScript

1. The Character

Your customer is the hero of the story, not your brand.

Your first step is to **define who your customer is and what he/she wants** in relation to your brand.

- Think of your customers as hitchhikers: they won't hop onboard unless you can *take them where they want to go*.

- Our brains naturally seek closure. When you show something your customers want, you open a "*story gap*". They'll want to find out if you can bridge the gap between where they are and where they want to be. Will the underdog win the game? Can the hero save the town? However, if you fail to identify a relevant need, you won't open a story gap.

Focus on 1 thing that helps your customers to survive or thrive.

- No matter how many benefits you offer, force yourself to narrow down to *1 core desire*. Have a clear main-plot rather than confuse the audience with too many sub-plots.

- *Survival* refers to our desire to be safe, healthy, strong and happy. We want to *thrive* physically, emotionally, relationally, and spiritually, e.g. to enjoy a luxurious and restful holiday, have a secure retirement plan, leave a meaningful legacy, own our dream home, or have a healthy start to each day. You can explore several areas including:

  (i) *Conserving resources* (e.g. saving time, money, energy) or *accumulating resources* (e.g. making more money, improving productivity);

  (ii) *Building social networks* for security, connection and support;

  (iii) *Gaining social status* which is associated with power, prestige and abundance; and

KEY QUOTES

"The customer is the hero, not your brand."

"Customers don't generally care about your story; they care about their own."

(iv) *Providing a sense of meaning and contribution*, e.g. to be a part of something greater than ourselves, or to help others to survive/thrive.

- Keep the message *clear and simple*. For example, helping your customer to "become everyone's favorite leader" clearly conveys a range of benefits including respect, success and connections.

2. The Problem

Offer a solution that addresses your customers' problems at 3 levels.

Now that you've entered your customers' story, you must **deepen their interest** by identifying a problem they face, e.g. worries about retirement, no time to clean up a messy house. This acts as a "hook" to draw them deeper into the story.

Every good story has a **villain** that disrupts the hero's life and creates frustrations. This evil villain now stands between your customers and their desires. The more you talk about the villain, the more your customers want a tool to defeat it. A villain can be anything from distractions to dust mites, so long as it has 4 characteristics:

- It's a *root cause*, e.g. an unstable economy causing financial fears;
- It's *relatable*, i.e. the customer instantly recognizes and dislikes it;
- It's *singular*, i.e. there's only 1 villain; and
- It's *real*.

Zoom in on **3 levels of problems** created by this villain:

- *External*. This is the obvious obstacle between the hero and his/her prize. In movies, this could be a deadly virus or a ticking bomb. In business, this could be a flabby tummy or a leaky roof.
- *Internal* problems are the underlying causes of external problems. They usually stem from a sense of insecurity from wondering "do I have what it takes to succeed?" Apple is so

KEY QUOTES

"Companies tend to sell solutions to external problems, but customers buy solutions to internal problems."

"People's internal desire to resolve a frustration is a greater motivator than their desire to solve an external problem."

successful because its simple interface addresses an internal frustration—people want to use technology but feel intimidated by it.

- *Philosophical*. This involves the "why" that goes beyond the story, e.g. "good should triumph over evil", "everyone deserves to be loved", "we ought to stand up to injustice"

Businesses typically focus on solving external problems, when people buy things to solve internal problems (e.g. frustration and self-doubt). Ideally, they want a solution that **concurrently solves all 3 levels of problems**. Consider how you can position your solution as a tool for external/internal problems, as well as a way for customers to express themselves and stand for something bigger. For example:

TESLA MOTOR CARS	NESPRESSO HOME COFFEE MACHINES
Villain: Gas guzzling, inferior tech **External**: I need a car **Internal**: I want to be an early adopter of new technology. **Philosophical**: I should choose a car that's environmentally-friendly.	**Villain**: Coffee machines that make bad coffee **External**: I want good coffee at home. **Internal**: I want to feel sophisticated. **Philosophical**: I shouldn't have to be a barrister to make gourmet coffee at home.

KEY QUOTES

"People are looking for a philosophy they can embody or a series of steps they can take to solve their problems."

3. The Guide

Customers want a guide, not another hero.

At various points in our lives, we all encounter "guides" who give us a helping hand and shape our views, actions and lives. Likewise, **every hero needs a guide**.

- Heroes start out with self-doubts and problems they can't solve on their own. They need a guide who has "*been there, done that*" and can point them in the right direction. Star Wars' Luke Skywalker was guided by Yoda, while Hunger Games' Katniss was guided by Haymitch.

- *Don't position your brand as the hero*, or you'll end up competing with your customers. Be the guide they're looking for. If you focus on your customers' success, your own success will follow.

"Nearly every human being is looking for a guide (or guides) to help them win the day."

"Always position your customer as the hero and your brand as the guide. Always."

To establish yourself as a trustworthy guide, you must show **2 characteristics**:

- *Empathy*. All human beings want to be seen, heard, and understood. Show you know your customers' pain and frustration with phrases like "We understand how it feels to ..." or "Nobody should have to go through this . . ." or "Like you, we find it frustrating when..." When your customers feel that you understand them and share something in common, they'll start to trust you.

- *Authority*. Demonstrate that you know what you're doing and can guide them to their desired destination. You can establish your competence (without bragging) using these 4 ways:

  (i) Share a few succinct testimonials of the results that other heroes have achieved with you;

  (ii) Present simple statistics e.g. the number of satisfied customers or the % growth in your clients' profits;

  (iii) Include a few key awards you've won; and/or

  (iv) Include logos of well-known businesses you've worked with (if you're in a B-to-B business).

KEY QUOTES

"The day we stop losing sleep over the success of our business and start losing sleep over the success of our customers is the day our business will start growing again."

"People trust those who understand them, and they trust brands that understand them too."

4. The Plan

Customers will only trust a guide with a plan.

Once you establish yourself as a guide, you have a relationship with the customer. However, to part with their hard-earned money and make a purchase, your customers must be ready to **commit**.

- To win this trust and commitment, you must demonstrate that you have a *clear plan to solve their problems*.

- A *good plan* should (i) lay out how exactly to do business with you and/or (ii) remove the perceived risks that are holding your customers back.

Specifically, there are **2 types of plans** you can present:

- A *process plan* lays out the steps needed to buy and/or use your product. A pre-purchase plan could look like this: fix an appointment → we'll customize a plan for you → we'll execute

"The key to the success of any plan is to alleviate confusion for our customers."

"If process plans are about alleviating confusion, agreement plans are about alleviating fears."

the plan together. A post-purchase plan could involve these steps: download the app → input your expenses → manage your finances. Keep the process to 3-6 steps to minimize confusion.

- An *agreement plan* lists out the assurances to allay customers' fears of doing business with you. You're basically saying, "If you buy this, we'll do all that". List down all the concerns your customer may have, then develop a list of agreements to address them. Besides eliminating customers' perceived risks, the list can increase the perceived value of your solution and clarify your shared values. This plan doesn't have to be featured upfront (e.g. on the home page of your website), but can be presented on your walls, paper bags, FAQ pages etc.

Name the plans in a way that conveys the value or benefits to your customers e.g. "easy installment plan" or "our quality guarantee".

5. Calls to Action

Customers won't take action unless they're challenged to do so.

People don't make major decisions unless they have a clear reason and are pushed to do so. You must call them to action.

- Never assume your customers can read your mind. You must explicitly ask them to buy, and must do so repeatedly. Your customers are flooded by thousands of commercial messages daily—unless you're *loud and clear*, they won't hear you.

- Don't worry about overselling. If you're truly confident of solving your customers' problems, you should have no qualms about prodding them to jump onboard. In fact, if you don't *sell with conviction*, you convey a lack of confidence in your solution.

There are 2 types of calls to action:

- *Direct calls to action* are simply direct purchase requests, e.g. "buy now", "book an appointment today" or "call for an instant quotation". The key is to repeat them in various formats on your website, signboards, emails etc. For example, you should have multiple "Buy-now" buttons on your website in different colors, sizes and fonts. Each call to action should lead to a sale or at least bring the customer closer to a purchase.

KEY QUOTES

"Bodies at rest tend to stay at rest, and so do customers. Heroes need to be challenged by outside forces."

"Most people think they're overselling when, in truth, their calls to action fall softer than a whisper."

"If you aren't asking people to place an order, they won't."

- *Transitional calls to action*: Even if someone isn't ready to buy yet, you can progressively deepen the relationship until they're ready. It's like dating—you won't give up just because someone isn't ready to marry you on the first date. You can share (i) free information (e.g. worksheets, webinars or videos that position you as a guide/expert in an area), (ii) testimonials that reinforce the story map in your potential customers' minds, and/or (iii) samples or free trials that let people experience your products. These help you to claim your niche/territory, develop a sense of reciprocity, and position yourself as a guide in customers' minds.

6. Avoid Failure

Everyone wants to avoid a tragic ending.

All human beings are only motivated by 2 things: to avoid pain (something bad) or to seek pleasure (something good). This element is about **defining what's at stake** so your potential customers feel motivated to take action to avoid failure or disaster.

- We follow a story only because there's something at stake. We want to know if the hero will save the world from disaster or win the girl of his dreams. Likewise, we must show our potential customers the *costs of not using our products or services*.

- There are many opportunities to reinforce what's at stake, e.g. in your website messages, through your blog titles or e-mail content. The key is to *create a sense of urgency* without overdoing it.

There are **2 types of failures** you can highlight:

- *Potential loss*. Human beings are fundamentally loss-averse, i.e. we don't want to lose what we have/own. Help potential customers realize that (i) they're at risk (e.g. 1 out of 4 people get cancer) and (ii) they should take action to reduce their vulnerability. Then specify the call to action and challenge them to take action *now*.

- *Bad outcomes*. Define the negative outcomes you're helping your customers to prevent, e.g. losing money, getting sick, being infested by pests.

KEY QUOTES

"A story lives and dies based on the question: Will the hero succeed or will they fail?"

"Too much and your customers will resist you, too little and they won't know why your products even matter."

"Remember, if there are no stakes, there is no story."

Here are a couple of examples of bad outcomes:

USED CARS	SUMMER CAMP FOR KIDS
Being ripped off by a used-car salesman Being stuck with a lemon Feeling foolish/taken advantage of	A long, boring summer Restless kids running around the house Regret wasting the summer

7. Attain Success

Tell people how you can improve their lives. Don't assume they know.

This is where you give customers the happy ending to their story. Paint a **clear, aspirational picture** of where you'll bring them, i.e. what their life could look like if they use your products or services.

- *Be specific*. For example, J.F. Kennedy painted a simple but powerful vision: "We're going to put a man on the moon."

- You can use this "*Before-and-After exercise*" by Ryan Deiss to crystallize how your brand will change customers' lives.

	Before your Brand	After your Brand
What do they have?		
What are they feeling?		
What's their average day like?		
What's their status?		

* Adapted from Ryan Deiss

There're **3 key ways to end the story powerfully** for your customers.

- *Gaining power or status*, e.g. helping your customers to become more respected, admired or attractive. Perceived status could come from access to privileges, getting something scarce, having a premium status (e.g. being a Diamond member or Star Donor), or being associated with other premium brands.

- *Becoming whole with something extrinsic*, e.g. finding their other half, having tools that let them do superhuman work, having the time and money to do everything they want.

- *Becoming whole with something intrinsic*, e.g. feeling inner peace and self-acceptance when they achieve their full potential or become who they're meant to be. You could provide this happy ending by helping your customers to accomplish inspirational

KEY QUOTES

"Everybody wants to be taken somewhere. If we don't tell people where we're taking them, they'll engage another brand."

feats, accept who they are, or become a part of a wider movement/purpose.

In short, the 3 key elements above can help people to resolve their external, internal, and philosophical problems. By presenting this vision clearly as a core part of your brand promise, you create **closure to the story** and convince your customers to follow you.

Going Beyond the 7 Elements: Personal Transformation

Once you've completed your BrandScript, you can now address the strongest motivator for action: the **human desire for transformation**. All of us want to become a better version of who we are, e.g. to be fitter, wiser, more attractive, more respected etc.

- In any story, the hero will undergo *change and development*. They develop new skills, find inner strengths, build their character and eventually prevail.
- Ask yourself: Who do your customers aspire to become? How would they want others to describe them? How can your brand help them to become that person? Define the *aspirational identity* behind your brand, use it in all your communications and as a guide for your business. For example:

PET FOOD BRAND	SHAMPOO BRAND
From: Passive dog owner To: Every dog's hero	From: Anxious and dull To: Carefree and radiant

Great brands don't just sell a product or service; they are fanatical about their customers' success and transformation. As you help your customers to solve their problems and become the heroes they aspire to be, **you're not just growing a business; you're also changing lives**.

Implement your StoryBrand

Once you've created your BrandScript, you can apply it in several steps.

Improve your website

Your website leaves a critical first impression, much like a first date. Make sure it passes the grunt test and has **these 5 elements**:

KEY QUOTES

"Everybody wants to be somebody different, somebody better, or, perhaps, somebody who simply becomes more self-accepting."

"Brands that participate in the identity transformation of their customers create passionate brand evangelists."

"Participating in your customer's transformation can give new life and meaning to your business."

"Let's do more than help our heroes win; let's help them transform."

"A great digital presence starts with a clear and effective website."

- *A clear offer "above the fold"*. The top part of your website (that's visible without scrolling) must clearly convey what you offer, e.g. "We will make you a golf pro" or "We help you design beautiful websites." The key message (text and image) above the fold must (i) promise an aspirational identity, (ii) promise to solve a problem (e.g. stop hair loss, clear choked drains), and/or (iii) specify what you do (e.g. "we walk your dogs").

- *Explicit calls to action*, e.g. your "register today" or "buy now" buttons. Your customer typically reads your website in a Z-shape, so you should minimally have call-to-action buttons on the top-right, in the middle of the screen just above the fold, and later as people scroll down. Make the buttons obvious, repeat your message and state the transitional actions clearly.

- *Success-related images* of happy, satisfied customers.

- *Snapshot of key revenue streams*. If you have multiple products or revenue streams, start with an overarching message, then break down the specific products/divisions later so people can choose the right options.

- *Few words*. People scan through websites; they don't read them. Wherever possible, use images, 3-4 bullet points or short soundbites. Minimize full sentences and avoid paragraphs.

Stick to the BrandScript. You can vary the choice of words but don't add new ideas outside the script or you'll create noise.

Transform your Organization

- Use the BrandScript to bring internal clarity and create **employee engagement**. In most organizations, there's nothing holding together the mission statement, strategy, operations, guidelines and metrics. As a result, employees feel overwhelmed and confused by the sheer amount of information and noise.

- A story can **bring your mission to life** and help people to understand how the various parts of your business all fit into a grand adventure.

    - In your company story, *your team members are the heroes* and your leaders are the guides. A new recruit becomes a part of

KEY QUOTES

"The stuff you share on a first date should be short, enticing, and exclusively customer-centric."

"The fewer words you use, the more likely it is that people will read them."

"With a StoryBrand-inspired narrative, ordinary jobs become extraordinary adventures."

"A true mission isn't a statement; it's a way of living and being."

this story, gets transformed by the company and is excited to see how the story unfolds with the various stakeholders.

- Your ultimate goal is to align *the company story and customer story*. When your company is on-mission, every staff becomes an ambassador. They know the company story and can spread the message using consistent, compelling soundbites.

Grow your Business

By now, you have a clear, effective message both internally and externally. You're ready to grow your business rapidly with 5 remaining steps:

- *Develop a One-liner* that integrates the Character, the Problem, the Plan, and the Success, e.g. "We provide busy executives and entrepreneurs with easy-to-digest summaries of top business and personal development books so they're equipped to move ahead with confidence and purpose". This summarizes your entire business, and should be used by all your team-members and in all your communications (e.g. website, email, name cards etc.).

- *Create a lead generator* (e.g. pdf, video series) and collect email addresses, with the aim to create value for your customers and position yourself as an authority in your niche.

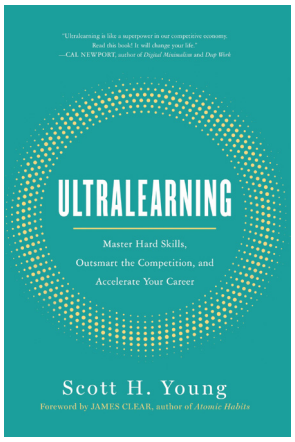
- *Build an automated e-mail drip campaign*. Send your potential customers value-adding emails regularly, e.g. talk about a problem, share a plan to solve it, describe how life looks like with the problem solved, and include a call to action.

- *Share transformation stories*. Collect and share customer testimonials (about the problems and frustrations they faced, how your product helped them and what life looks like now).

- *Create a referral-generation system*. Convert happy customers into brand ambassadors. Define your ideal customers, give your existing customers a good reason to spread the word (e.g. offer a reward) and automate the process.

KEY QUOTES

"Brief, narrative ideas shared from inspired team members spread faster than muddled, confusing explanations shared by bored, disengaged employees."



ULTRALEARNING

Master Hard Skills, Outsmart the Competition, and Accelerate Your Career

SCOTT H. YOUNG

The Big "So What"

Can you get an MIT-level education without attending MIT, become fluent in a new language in 3 months, or develop a multi-million video game by yourself? The answer is "yes". In this book, Young shares the strategies and tactics used by ultralearners to master hard skills more quickly, accelerate their careers, become more productive and fulfilled.

Introduction

Ultralearning is a strategy for acquiring skills and knowledge in a self-directed, intense way. It's about deciding what you want to learn, then committing to a period of deep, focused learning activities that push you to your limits. That's the best way to get in flow and compress your learning into the shortest possible time.

- Young was interested in computer science, but couldn't afford to attend MIT. So, he embarked on a self-education project, researching free MIT classes online, focusing on the final exams and working backward to figure out what he had to learn and how. In just 1 year, he could pass the final exams for the MIT computer science programme. He went on to learn 4 languages in 12 months, and taught himself to draw portraits in 30 days.

- Along the way, he met and researched other "ultralearners", including polyglots who speak many languages, mathematical geniuses, game show winners, etc. Based on his observations and experience, Young identified the *9 common principles* in this book.

KEY QUOTES

"If you can master the personal tools to learn new skills quickly and effectively, you can compete more successfully in this new environment."

"With ultralearning, deeply and effectively learning things is always the main priority."

"Learning well isn't just about following a set of prescriptions. You need to try things out for yourself, think hard about the nature of the learning challenges you face, and test solutions to overcome them."

Ultralearning is not easy, but it can be **extremely rewarding**.

- Ultralearning is possibly one of the best strategies to adapt and compete in a dynamic world. With the rapid pace of change, those who can't renew themselves quickly get left behind. Ultralearning helps you to learn more in a fraction of the time, so you can advance your *career* quickly or even transit to a new career.

- You can also use it to master any area of *personal interest*—be photography or culinary skills—to feel more confident and fulfilled.

Every learning project is different, and you won't learn effectively by rigidly following a fixed sequence of steps. However, you can apply the 9 ultralearning principles below to learn optimally in any area. The key is to decide what matters to you, and **take responsibility** to achieve those goals.

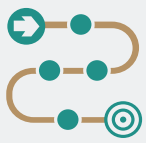
KEY QUOTES

"The best ultralearners are those who blend the practical reasons for learning a skill with an inspiration that comes from something that excites them."

The 9 Ultralearning Principles

THE 9 ULTRALEARNING PRINCIPLES

Metalearning



Start with a Road Map

Focus

Sharpen your Ability to Concentrate

Directness

Go Straight into Application

Drill

Attack your Weakest Point

Retrieval

Use Self-Testing to Learn

Feedback

Don't Dodge the Punches

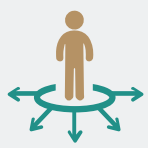
Retention

Stop the Leakages

Intuition

Dig Deep, then Build Up

Experimentation



Explore Beyond your Comfort Zone

1. Metalearning: Start with a Road Map

The first step in any ultralearning project is to figure out the most effective and efficient way to learn that subject.

- Formal education often uses a one-size-fits-all approach to cater to a range of students. However, you can *customize your self-learning project* to fit your specific needs and abilities. By investing some time upfront to develop a learning map, you will (i) learn much faster for your current project, and (ii) improve your long-term learning ability to learn faster in any area.

Develop your metalearning map with 3 specific questions:

- Define *why* you want to learn that subject. Your goal or desired outcomes will determine the type of skills and knowledge you need. Try *interviewing experts* in the field to refine your learning plan. For example, you can speak with a successful architect to confirm if learning design skills will indeed help you to become a good architect. Don't be afraid to reach out to experts via social media, email or other channels: many of them will be willing to do a 15 minute phone/video call to help you.

- Once know your "why", you can figure out *what* you must learn.

  (i) On a piece of paper, create 3 columns labeled: *concepts*, *facts*, *and procedures*.

  - *Concepts*: What are the ideas you must understand? For example, to learn math you need to grasp concepts like equality and symbolic representation.

  - *Facts*: What are the things that you must memorize? For example, languages involve vocabulary, pronunciation and grammar.

  - *Procedures*: What are the actions that must be practiced?

  (ii) *Identify your bottlenecks*, i.e. the concepts, facts and procedures that are the hardest for you. Research the

KEY QUOTES

"Metalearning…forms the map, showing you how to get to your destination without getting lost."

"Each project you complete will give you new tools to tackle the next, starting a virtuous cycle."

tools/methods to help you tackle those bottlenecks, so you have a more realistic learning map.

- To figure out *how* to learn what's required:

  (i) *Benchmark* how people typically learn that subject. For example, you can research how it's usually taught in schools or universities, examine the topics in textbooks, or course syllabuses found on websites.

  (ii) Modify the default curriculum, by *emphasizing or excluding* certain topics to suit your personal needs/ preferences. For example, if you're learning French because you're going to Paris in 2 weeks, you'd want to focus more on pronunciation than spelling.

You do *not* need a perfect learning map. The idea is to make sure you've evaluated your options instead of jumping into whatever's easy or convenient. You can always add more details as you go along. So, is there an **optimal amount of planning**?

- As a rule of thumb, invest about *10% of your expected learning time* into the initial research and planning.

- Then, *regularly review* your progress to see if diminishing returns have set in. If so, pause to research new tools/ techniques.

2. Focus: Sharpen your Ability to Concentrate

Focused learning delivers superior results. You can **improve your ability to focus** through practice—by dedicating chunks of time to focus fully on what you're trying to learn.

Ultralearners overcome **3 key obstacles to concentration**:

- *Procrastination*: When it's time to start on your ultralearning project, you may find yourself putting it off, e.g. you tell yourself that you need a break, you suddenly feel hungry, or feel an urge to pack the table. We often procrastinate without realizing it, so the first step is to recognize when you're procrastinating. Then, you can overcome it with the following tactics:

KEY QUOTES

"Find the sweet spot between insufficient research and analysis paralysis."

"Most motives to procrastinate are silly when you verbalize them, yet that doesn't stop them from ruling your life."

(i) Acknowledge the unpleasant aspects of the task (e.g. you worry that you may not do a good job, or feel uncertain about where to start). Tell yourself to just bear with it for *5-10 minutes*. Once you get started, the unpleasant feelings usually fade away and you end up doing much more.

(ii) To stay focused, promise yourself a 5-minute break each time you complete 25 minutes on the project.

(iii) Set a rule that you can only quit after you've *achieved a milestone*, e.g. memorized a vital piece of information.

- *Distractions*: Most learning tasks can be finished in 50-60 minutes of focused learning. Unfortunately, we get distracted easily, e.g. we find ourselves daydreaming or checking our phone. Remove these 3 common sources of distractions:

  (i) Set up your ideal learning *environment*, e.g. have your writing materials at hand, and turn off distractions like the TV/phone.

  (ii) Choose the *learning tool* that best grabs your attention. For example, do you focus better when you read, listen to an audio or watch a video? You can also make notes as you read to help you to focus.

  (iii) *Negative emotions* (e.g. anger, frustration) can hijack your mind. Acknowledge the feeling, allow it to pass, and gently refocus back on your project.

- *Variety*: Often, simpler tasks (e.g. throwing darts or shooting basketballs) are best performed in a stimulating environment (e.g. upbeat music that gives you a burst of mental arousal). Complex tasks (e.g. writing an essay or solving a complex problem) may require relaxed focus and a quieter environment. Experiment to find the ideal states of mental arousal you need for different learning activities.

KEY QUOTES

"Remember: even if your learning is intense, your use of the skill later on will not be."

"A clear, calm mind is best for focusing on almost all learning problems."

3. Directness: Go Straight into Application

Consider the situation/context where you want to apply your learning. Then, plunge right in and **acquire hands-on experience** by learning to do the tasks in a similar situation. Don't settle for other convenient or comfortable activities.

- For example, a fresh graduate couldn't get a job as an architect. He realized that many architecture firms were using a complex design software, so he learned the software and used it to design his own building. With this portfolio, he landed a job quickly.

- The fastest way to learn something is by doing it directly. Yet, most schools use an indirect approach: they teach facts, concepts and skills in a classroom setting, and assume students can transfer the learning to the real world. In reality, different situations come with nuances that require different solutions, and it's not easy to apply theoretical knowledge to a specific context.

Ultralearners engage in **direct practice**. For example, instead of studying trivia from books or websites, *Jeopardy*! champion Roger Craig did simulated practices using past game shows.

- Go for *project-based learning*, not classroom-learning, e.g. learn computer coding by creating a computer game, or learn military history by writing a thesis about it.

- Use *immersive learning*. To learn a new language, immerse yourself in the culture (e.g. visit China to learn Mandarin).

- If you can't practice the skill directly, then use *simulations*, e.g. surgery or flight simulators.

- Aim for an "*overkill*", i.e. put yourself in a situation where the standards are much higher than your goal. If you want to become a great public speaker, don't just join the Toastmasters clubs. Take part in a public speaking contest.

KEY QUOTES

"The easiest way to learn directly is to simply spend a lot of time doing the thing you want to become good at."

"When we learn new things… we should always strive to tie them directly to the contexts we want to use them in."

4. Drill: Attack Your Weakest Point Relentlessly

In any process, a bottleneck can slow everything down, e.g. a limited vocabulary can hinder your fluency in a language. This principle is about isolating your **key constraint**, so you can focus on improving the 1 thing that'll enhance *all* other aspects of your skill.

To master a challenging skill, the best way is to break it down into small parts, master each component, then reassemble them. Ultralearners typically use the "Direct-Then-Drill" strategy:

- Start by *practicing the skill directly* in a situation that most closely matches the context intended for future use.
- Then, *isolate the components* of the direct skill that are limiting your overall performance or pace of learning.
- Ruthlessly *drill those components* before returning to your direct practice, to transfer the learning and see if the drills worked.

To **design effective drills**:

- Start by *forming a hypothesis* about what's holding you back, then use the Direct-Then-Drill approach to test if you're right.
- Use these tips for *designing your drills*:

  (i) Use *time slicing* to isolate 1 action in a series of actions, e.g. practice the hardest few bars of a piece of music before playing the whole song.

  (ii) Drill *cognitive components* e.g. pronounce pairs of words using different tones and record yourself speaking them.

  (iii) *Copy the aspects of the skill you don't need*, so you can drill the aspects that you need. To present his arguments more logically, Benjamin Franklin rewrote the arguments from magazine articles from memory, then compared his version with the original to find his flaws. By "borrowing" others' arguments, he could focus on his writing.

KEY QUOTES

"Drilling problems without context is mind-numbing. However, once you've identified that it's the bottleneck preventing you from going further, they become instilled with new purpose."

(iv) Spend more time practicing 1 component (e.g. your headline or first paragraph) to *magnify* that aspect.

- Regularly remind yourself on your goals to *motivate yourself* to persist in your drills.

5. Retrieval: Use Self-Testing to Learn

Retrieval practice is about trying to recall as much information as possible from memory, without referring to your materials. You learn much better when you (i) push yourself to recall info instead of reviewing it passively, and (ii) test yourself before you feel confident. Retrieval practice is the most effective when you can look up the answers immediately for what you don't know.

Self-testing is so effective because (i) it's the most similar to actual testing, (ii) it gives you specific feedback about what you know and don't know, and (iii) it helps you to measure your progress.

- The method doesn't *feel* effective since you'll find yourself struggling. However, people who tested themselves *recalled much more* than those who did passive review or used concept maps. The gap increased even more after 10 days.

- Psychologist R.A. Bjork coined the term "*desirable difficulty*" to describe how learning deepens when the brain has to work harder. The challenge is to test yourself just far enough to stretch your memory, but not so far that you've forgotten everything.

- In fact, you can use *forward-testing* to enhance your results. Take the final exam before the class even begins. This gives you a perspective of what's important, and prepares your mind to detect relevant information during lessons. In short, retrieval practice can improve both past *and* future learning.

- Use direct practice to determine *what and how much to memorize*. Basically, the things that come up regularly are the things that you must know in your head. Those that're rarely used can be looked up as and when needed.

KEY QUOTES

"The research is clear: if you need to recall something later, you're best off practicing retrieving it."

"Retrieval works to enhance future learning, even when there is nothing to retrieve yet!"

"Being able to look things up is certainly an advantage, but without a certain amount of knowledge inside your head, it doesn't help you solve hard problems."

Here are some **useful methods for retrieval practice**:

- Use digital or paper *flash cards* to pair a cue with a response, e.g. memorizing definitions or foreign-language vocabulary.
- Use *free recall* to memorize key points or arguments. After a lecture or reading a chapter, take a piece of paper and write down everything you can remember.
- Make notes by rephrasing the content in *question-and-answer format*, e.g. "When was the Magna Carta signed? In 1215."
- If you need to practice certain skills (not just remember the information), *create challenges* to be solved later on your own.
- Apply *closed-book learning* by drawing a concept map of what you've just learned, without referring to the texts.

KEY QUOTES

"Retrieval is not a sufficient tool to create genius, but it may be a necessary one."

6. Feedback: Don't Dodge the Punches

Feedback can be really painful and uncomfortable, but **don't avoid constructive criticism**. Learn to manage your ego, and filter out the useful inputs from the noise so you know what to focus on.

- Famous comedians like Chris Rock are known to drop in at the Comedy Celler unannounced, just to test out their new materials on a small crowd to see what works and what doesn't. They understand that when it comes to learning, nothing beats *immediate, accurate and intense feedback*.
- However, feedback is only useful if it provides information that guides your future learning and results. Feedback can actually *backfire* (i) if it focuses on the person (e.g. "you're so smart" or "you're so stupid"), or (ii) if the recipient doesn't receive it in the right spirit.

"Everybody has a plan until they get punched in the mouth."
– Mike Tyson

"Receiving feedback isn't always easy. If you process it as a message about your ego rather than your skills, it's easy to let a punch become a knockout."

There are **3 main types of feedback**:

- *Outcome feedback* tells you how well you're doing (e.g. whether you pass or fail, get an "A" or "C" grade). Such feedback is easy to get, and can motivate you to keep making progress. However, it doesn't tell you what to fix or how to improve.

- *Informational feedback* tells you what you're doing wrong, but it may not tell you how to fix it. An audience's bland response tells the comedian that his joke isn't funny, but it doesn't tell him *how* to make it funnier. Having said that, so long as the feedback is immediate, you can test different solutions to see what works, e.g. a programmer can keep changing his code until the error message disappears.

- *Corrective feedback* is the best type of feedback, since it tells you what you're doing wrong *and* how to fix it. However, this usually requires access to a teacher or coach, and the feedback is only as good as the person's expertise.

Generally, it's the most effective to combine immediate feedback with delayed review. Use these **tactics to get better feedback**:

- *Filter out the background noise* that distracts you from what's important. If you're reviewing the quality of your blog articles, don't just look at the volume of visitors. Look at how many people scroll to the end of your article or click on your links.

- Seek lots of *rapid, high-intensity feedback*. This is the best way to filter out the true insights from the noise.

- Adjust your tasks till you get the *sweet spot for difficulty*, i.e. you can't predict if you'll succeed or fail. That's when feedback truly becomes valuable.

- Look for *metafeedback*, or feedback on the effectiveness of your learning strategy. Analyze your learning rate (i.e. how fast you're improving in an area), or run experiments to compare which approach helps you to learn faster.

KEY QUOTES

"Ultralearning isn't simply about maximizing feedback but also knowing when to selectively ignore elements of it to extract the useful information."

"Extract the signal from the noise, so you know what to pay attention to and what to ignore."

"Sometimes the easiest way to improve feedback is simply to get a lot of it a lot more often."

7. Retention: Stop the Leakages

To excel in any area, you need to remember stuff. Yet, our brain forgets things quickly and consistently, like a **leaky bucket**. Understand why you forget things, so you can deliberately use counter-strategies to remember things for the short-term and long-term.

Psychologist Hermann Ebbinghaus discovered the forgetting curve, which describes the brain's decreased ability to retain information over time. Unless the knowledge is consciously and repeatedly reviewed, we'll start losing it within days or weeks. Subsequent studies identified at least 3 theories to explain **why we consistently forget so much**:

- Our memories *decay* over time, and details fade away quickly. Generally, the farther an event, the harder it is for us to recall the details (unless it's unusually meaningful or vivid).

- In the human mind, memories often overlap, so new knowledge can create *interference*. Specifically, *proactive interference* occurs when past data makes it harder to acquire new knowledge (e.g. when they conflict with each other). Retrospective interference occurs when the new information "overrides" the old one.

- Some memories still exist in our minds, but we can't retrieve them because we've *forgotten the cues*. That's why we may feel like there's something we should remember, but we just can't recall it.

So, how can we counter our natural tendency to forget? Ultralearners deploy at least **4 mechanisms to improve their short-term and long-term retention**:

- *Space out your learning over intervals*. It's better to spend 1 hour over 10 days learning something, than to cram the learning into 10 hours at a go. You can (i) use a system or schedule to methodically revisit a topic at increasingly longer intervals (e.g. start with daily, then weekly, monthly and 6-monthly revisions), or (ii) schedule projects to refresh important skills.

KEY QUOTES

"To retain knowledge is ultimately to combat the inevitable human tendency to forget."

"Many memories we have aren't actually forgotten but simply inaccessible."

"Our minds are a leaky bucket; however, most of the holes are near the top, so the water that remains at the bottom leaks out more slowly."

- *Proceduralize skills* by embedding them into a sequence of steps, just like how typists can type without looking at the keyboard once the letters' position are deeply ingrained in their minds.

- *Overlearn* by practicing something even when you can already do it perfectly. The extra practice may not improve your performance, but it'll help you to recall the skills in future.

- Use *mnemonics* to translate hard-to-remember content (e.g. a sequence of digits) into vivid images or maps to facilitate recall.

8. Intuition: Dig Deep, then Build Up

True masters don't just memorize things. Mastery comes from a deep understanding of each component, how they're inter-related, and what the big picture looks like. Seek to **truly understand what you're learning**: immerse yourself in in a subject so thoroughly that you form mental models of how things really work, and use play/exploration to develop your intuition.

Don't just study hard. Use these **4 rules to develop intuition**:

- *Don't give up too soon on hard problems*. When you're about to give up on a problem, force yourself to keep going for just *10 more minutes*. New ideas and solutions may simply appear. Even if they don't, the extra effort will help you to notice and remember how a solution is derived later.

- *Prove things to understand them*. You'll never fully understand something just by reading someone else's results. Push yourself to prove or replicate the concept, e.g. to prove that you understand how a bicycle works, draw out all the parts in detail (e.g. gear, pedals) and show how they're connected.

- It's hard to learn abstract ideas, so *start with a concrete example*. For example, visualize how you'd apply a broad principle to a specific situation, or look beyond the spelling of a word to consider its deeper meaning, the feelings it evokes, etc.

KEY QUOTES

"Do not ask whether a statement is true until you know what it means."
– Errett Bishop

- *Don't fool yourself* into thinking you know more than the subject experts. After all, you don't know what you don't know. Be willing to ask the "dumb" questions that everyone is afraid to ask.

Young developed the "**Feynman Technique**" based on his extensive research on genius mathematician Richard Feynman:

- Use this method to *improve your understanding* of an idea:

  (i) At the top of a piece of paper, write down the *concept or problem* that you're trying to understand.

  (ii) *Explain the idea* as if you had to teach it to someone else. Specify (a) how you'd explain the concept to someone who has never heard of it before, or (b) what's the process you'd use to solve the problem (and why).

  (iii) If you're stuck, review your materials for the answer.

- The goal is to force yourself to *articulate your understanding*, so what you know (and don't know) becomes explicit. You can use this to (i) learn a new concept, (ii) tackle problems you can't solve, and (iii) expand your intuition on a complex topic.

9. Experimentation: Explore Beyond your Comfort Zone

When you're learning a new skill, it's usually enough to follow someone who's more successful. As you become more proficient, there'll be fewer people who can teach you. You'll also start to encounter new challenges that your predecessors haven't solved. To **become a true master**, you have to unlearn old methods and assumptions, explore new possibilities, expand/combine different skills/techniques, and discover your strengths and signature style.

- Vincent van Gogh didn't start painting till he was 26, and everyone told him he wasn't cut out to be an artist. Van Gogh decided to educate himself. He rigorously studied books and other artists' works, experimented with various materials, methods and philosophies, sought

KEY QUOTES

"Psychologists theorize that the difference between grand masters and novices is…that they have built up huge libraries of mental representations."

"Since many of our understandings are never articulated, it's easy to think you understand something you don't."

"As mastery becomes a process of unlearning over accumulation, experimentation becomes synonymous with learning as you force yourself to go outside your comfort zone and try new things."

feedback, and eventually developed his unique style. Unfortunately, he died at 37 and became famous only after his death.

Push beyond your comfort zone with 3 types of experimentation:

- Test out different learning *resources*, e.g. books, online materials, studying your peers, or practicing in various settings. Apply the insights from 1 resource aggressively, evaluate the results, then try something else.

- Try out various *techniques* by diving into a sub-topic or an area of specialization. For example, if you're trying to master a language, you can zoom into literature, comics, or business discussions, all of which will expose you to different skills and nuances.

- Explore different *styles*, so you can become aware of the full range of existing styles, dissect why other masters stand out, and emulate or integrate those concepts to create your own style.

Ultimately, you'll need to integrate your experiments back into your ultralearning projects, to target the problems you're solving. Here's **how you can start experimenting**:

- *Copy then create*. To build a foundation, start by copying what others are doing. When you've developed enough skills and knowledge, you can start to create your own style and direction.

- *Use split-testing*: Compare 2 methods side-by-side to see which method works better and why. You can eventually create a hybrid style that combines the best features from different approaches.

- *Introduce new constraints* to force yourself to try new solutions.

- *Combine 2 or more unrelated skills* to develop a new superpower. Scott Adams combined his engineering background with his skills as a cartoonist to create the highly-acclaimed Dilbert series.

- *Explore the extremes*, where there's much greater potential for creative breakthroughs than sticking to the

KEY QUOTES

"Careful experimentation not only brings out your best potential, it also eliminates bad habits and superstitions by putting them to the test of realworld results."

middle. Van Gogh used thick applications of paint in bold colors, both of which were unconventional for his time. You can always return to moderation after exploring the extremes—the key is to play with the full spectrum of possibilities.

This principle ties together the other 8 principles above. Learning is by nature full of uncertainty and trial-and-errors. It requires a **growth mindset**, where you continually try new things, obtain feedback, and adjust your course, to keep moving forward on your learning journey.

Getting Started

Ultralearning projects aren't easy, but they are well worth the effort. Your **first ultralearning project** is crucial as it will set the foundation for your future projects. Use these steps to improve your chances of success:

- *Do your research*. Define the topic you want to learn, the rough scope and objective, and the main resources you will use. Research how others have learned this skill successfully, identify the direct practices you can adopt, and consider the drills and backup materials you may need.

- *Schedule your time*. Decide how much time you'll commit, which slots you'll reserve in your weekly schedule, and the duration for your project. Schedule these into your calendar in advance. If your project will last for ≥6 months, try doing a pilot week to test out the arrangements before committing to it.

- Don't wait for the perfect plan. *Start executing your plan*, then periodically review/refine your approach with these questions:

  (i) Metalearning: Have I done my research and spent ≈10% of my total time preparing for my project?

  (ii) Focus: Am I fulfilling my committed learning hours? Am I truly focused during those periods?

KEY QUOTES

"Sticking to the middle and playing it safe…allows you to explore only a subset of the total possibilities of your work."

"The beginning is always today."
—Mary Shelley

"What matters is the intensity, initiative, and commitment to effective learning, not the particulars of your time-table."

(iii) Directness: Am I learning in the way I'll eventually use the skill or knowledge?

(iv) Drill: Am I tackling my weakest points? Am I working on small, manageable parts of a complex problem?

(v) Retrieval: How do I know what/how much I've learned? Am I testing myself?

(vi) Feedback: Am I getting honest feedback and applying them?

(vii) Retention: What am I doing to retain what I've learned?

(viii) Intuition: Do I deeply understand what I've learned?

(ix) Experimentation: Am I trying new things beyond my comfort zone?

- Not every project will be successful. *Review your results* at the end of the project to figure out what went well, and what can be improved in future.

- *Decide what to do with the skill*: You can choose to:

(i) *Maintain it*. Decide how often/when to practice the new skills, and find ways to integrate it into your life. Start with more regular reviews, then space it out with time.

(ii) *Relearn it*. Even though it's not ideal to forget a skill, it's still easier to relearn something than to learn it from scratch.

(iii) *Master it*: Dive deeper into the skill through regular practice, or follow up with another ultralearning project, possibly to focus on a sub-topic or to transfer the skill to a new domain.

Ultralearning is the most effective way to learn a complex skill quickly, and to enhance your overall learning ability. However, it's not meant to totally replace traditional education or good habits. You can apply it alongside **other alternatives**:

- *Low-intensity habits* are great for accumulative learning or adding skills/knowledge through repetitive action, such as adding vocabulary to a language you already know.

KEY QUOTES

"You're the one in charge, and you're the one who's ultimately responsible for the results you generate."

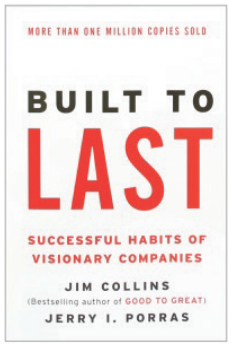
"The goal of ultralearning is to expand the opportunities available to you, not narrow them. It is to create new avenues for learning and to push yourself to pursue them aggressively rather than timidly waiting by the sidelines."

- *Formal/structured education* can also be useful for acquiring formal credentials, and for gaining access to certain communities or apprenticeship opportunities.

Other Details in the Book to Look out For

The book includes many examples of Young's own ultralearning projects as well as insights from other ultralearners in various fields. The book ends with a detailed case study of how the 9 principles were used by László Polgár to nurture his daughters into famous chess prodigies. Young also shares ideas on how to foster ultralearning at home, school or the workplace, and includes an appendix on his ultralearning projects. For more details, please visit ScottHYoung.com.

KEY QUOTES



Built to Last

Successful Habits of Visionary Companies

BY JIM COLLINS & JERRY I. PORRAS

The Big "So What"

The book focuses on timeless success principles that can be learned from visionary companies. Unlike individuals, organizations can transcend time and generations. Although most of the companies in the book are American corporations, the authors have since verified that the principles work across countries, cultures and different organization types e.g. corporations, NGOs etc. The findings debunked many myths about successful companies, and the insights can be applied by anyone, be it CEOs, managers, or entrepreneurs.

Introduction

The findings came from 6 years of extensive research of 18 Visionary Companies, compared to 18 Comparison Companies. As of the end of 1990, the Comparison Companies did twice as well as the stock market since 1926, while the Visionary Companies did 15 times as well as the stock market. Visionary Companies are :

- Premier institutions in their industries.
- Widely admired by knowledgeable business individuals.
- Have made an indelible impact on the world.
- Had multiple generations of chief executives.
- Have been through multiple product/ serviceslife cycles.
- At least 50 years old.

The findings include not just success factors of visionary companies, but also 12 myths about great companies. Some of the Visionary Companies include: 3M (vs Norton), American Express (vs Wells Forge), Boeing (vs Douglas Aircraft), Citicorp (vs Chase Manhattan), Hewlett Packard (vs Texas Instruments), Marriott (vs Howard Johnson), Proctor & Gamble (vs Colgate), and Walt Disney (vs Columbia Pictures).

KEY QUOTES

"Just about anyone can be a key protagonist in building an extraordinary business institution. The lessons of these companies can be learned and applied by the vast majority of managers at al levels."

"Visionary companies are premier institutions – the crown jewels – in their industries, widely admired by their peers and having a long track record of making a significant impact on the world around them."

Clock-Building, Not Time-Telling

Myths debunked:

1. You do not need a great idea to start a great company.
2. You do not need great and charismatic visionary leaders.

Visionary companies' long-term successes do not come from a great idea nor a charismatic, visionary leader. Rather, they are successful because of strong foundations embedded in the organizations that allow them to prosper beyond leaders and product life cycles – the winning creation is the company itself, not the leaders, products or services.

Myth of the Great Idea

Only 3 of the 18 visionary companies studied began with a specific, innovative and highly successful "great idea". Hewlett Packard founders tried everything from automatic urinal flushers to fat-reduction shock machines; 3M was in such bad shape that its second president did not draw a salary for his first 11 years in office. In fact, Collins & Porras found a negative correlation between early entrepreneurial success and becoming a highly visionary company. Most visionary companies start off slow, but win in the long run.

Their ultimate creation is the company itself. Focusing on the company rather than a specific idea or a unique market opportunity provides a critical shift in thinking and focus, away from specific
product lines and market strategies, to organizational design. This builds enduring institutions that outlive specific product lines. Outstanding organizations produce an ongoing stream of products and services, not vice versa.

KEY QUOTES

"Like the parable of the tortoise and the hare, visionary companies often get off to a slow start, but win the long race."

"It might be better to not obsess on finding a great idea before launching a company. Why? Because the great-idea approach shifts your attention away from seeing the company as your ultimate creation."

"Be prepared to kill, revise or evolve an idea, but never give up on the company."

Myth of the great and charismatic leader

Having a charismatic leader is great, but totally unnecessary, in shaping a visionary company. Many of the founding leaders behind visionary companies (e.g. William McKnight of 3M, Masaru Ibuka of Sony, Bill Hewlett of HP, Bill Allen of Boeing) were not high-profile nor charismatic leaders. What makes them successful is their focus on building the foundations of the institution. They are "clock builders", not "time-tellers".

Genius of the "AND", not "Tyranny of the OR

Myth debunked: You can have your cake and eat it.

Visionary companies do not limit themselves to the "Tyranny of the OR" e.g. stability OR change, low cost OR high quality. Instead, they find ways to embrace both extremes of various dimensions e.g. profits AND purpose, conservative AND bold, ideological control AND autonomy. They go beyond mere balance or compromise, to excel at both extremes.

More Than Profits

Myth debunked: Visionary companies do not focus on maximizing profits or shareholder value.

Core Ideology

Visionary companies pursue a cluster of objectives, of which money is only one component. They understand that profitability is necessary for the organization to exist and fulfil its purpose, but they are much more than profits. They pursue both profits and ideology.

A Core Ideology = Core Values + Purpose

KEY QUOTES

"A charismatic visionary leader is absolutely not required for a visionary company... They concentrated more on architecting an enduring institution than on being a great individual leader."

"The test of a first-rate intelligence is the ability to hold two opposed ideas in the mind at the same time, and still retain the ability to function."
- F. Scott Fitzgerald

"A group of people get together and exist as an institution that we call a company so they are able to accomplish something collectively that they could not accomplish separately"
- David Packard, HP

Core values are the organization's essential and enduring tenets and guiding principles. There are usually 3-6 key values, which must be authentic to the company (and not externally derived). They are different from cultural or operating practices, and must not be swayed or compromised for financial gain or short term expediency.

Purpose is the organization's fundamental reasons for existence beyond making money. It acts as a beacon to guide and inspire employees, and need not necessarily be unique or differentiated. Unlike business goals or strategies, a purpose is continually pursued but never fully accomplished. For example, Marriott's purpose is to "make people away from home feel that they're among friends and really wanted".

Deeds, not Words

Myth debunked: There's no set of common "right" core values.

Collins & Porras found that there was no fixed set of core values that were adopted by all the visionary companies. The content or "likeability" of the company's ideology are not the key to success. Rather, it is the depth to which the company believes in its core ideology, and uses it to guide and inspire its people, that makes the difference.

Visionary companies are not perfect; they also struggle to keep their ideologies alive, and they sometimes falter - their commitment to their ideology makes them endure through the challenges. Some visionary companies also took several years before they established a firm ideology is established, though the authors recommend that this be done as soon as possible.

KEY QUOTES

"Profit is like oxygen, food, water, and blood for the body; they are not the point of life, but without them there is no life."

"The authenticity of the ideology and the extent to which a company attains consistent alignment with the ideology counts more than the content of the ideology."

"Visionary companies do not ask, 'What should we value"'. They ask, 'What do we actually value deep down to our toes?'"

Preserve the Core, Stimulate Progress

Myth debunked: Change is not the only constant; The core ideology is anchored firmly In the organization.

A visionary company has a relentless drive for progress, which is a deeper human need to explore, create, discover, achieve and improve. It is however concurrently ideological and progressive, i.e. it adapts without compromising its core ideals.

Like ideology, the drive for progress is an internal force, and comes with a blend of self-confidence and self-criticism. The self-confidence allows the company to set audacious goals and make bold moves (even if it is against industry convention) without worrying about external justifications. The self-criticism ensures the company initiates changes and improvements before the outside world demands it.

There's an ongoing dynamic interplay between the core and progress, and the visionary company embraces both successfully. They do not confuse their core ideals (which should be firmly anchored) with specific, noncore practices which are mere manifestations of the core ideology (and should change and evolve with time). For example, 3M's "respect for individual initiative" is permanent and unchanging, while giving employees 15% of their time to work on projects of their choice is a non-core strategy that can change.

It is not enough to just have a strong ideology and drive. Visionary companies translate them into concrete, tangible mechanisms that are deeply infused into the organization, i.e. they are clock-builders that build mechanisms that preserving the core and stimulate progress. For example, Walt Disney created its Disney University and compulsory "Disney Traditions" seminars to inculcate these elements into all employees.

KEY QUOTES

"There is a difference between merely having a goal and becoming committed to a huge, daunting challenge."

"Core ideology and the drive for progress exist together in a visionary company like yin and yang of Chinese dualistic philosophy; each element enables, complements and reinforces the other."

"Like a persistent and incurable itch, the drive for progress in a highly visionary company can never be satisfied under any conditions, even if the company succeeds enormously."

Visionary companies build tangible mechanisms in 5 key ways:

1. Big Hairy Audacious Goals (BHAGs)

Myth debunked: Blue-chip companies don't always play it safe. They embrace BHAGs at crucial junctures.

BHAGs ("bee-hags") are a powerful mechanism to stimulate progress. For example, General Electric's BHAG is "become #1 or #2 in every market we serve and revolutionize this company to have the speed and agility of a small enterprise."

Good BHAGs:

- Are clear and compelling – they require little or no explanation.
- Are aligned with the core ideology (i.e. preserve the core).
- Are constantly replaced by another, once they are achieved.
- Come with a high level of goal commitment, despite apparent risks.
- Fall well outside the comfort zone, and are backed by the "hubris factor" – people in the organization believe they can pull it off, even if it seems impossible to people outside the organization.
- Are so bold and exciting in their own right, they can outlive any single generation of leaders.

2. Cult-like Cultures

Myth debunked: Visionary companies are not necessarily great places to work for every one. Because they are so clear about who they are and what they seek to achieve, only those who fit with the core ideology and standards find it a great place to work. Those who don't fit will be ejected. "It's a binary. There's no middle ground."

KEY QUOTES

"It is absolutely essential to not confuse core ideology with culture, strategy, tactics, operations, policies, or other noncore practices… Ultimately, the only thing a company should not change over time is its core ideology – that is, if it wants to be a visionary company."

"The BHAGs looked more audacious to outsiders than to insiders. The visionary companies didn't see their audacity as taunting the gods. It simply never occurred to them that they couldn't do what they set out to do."

"It's a binary: You're either in or you're out, and there seems to be no middle ground."

Visionary companies preserve their zealously-held ideology in specific, tangible ways, including:

- Indoctrination, e.g. orientation and training programs, internal "universities", unique language and terminology, myths and stories
- Tight fit, e.g. Tight screening processes, recognition, incentives and advancement criteria aligned with core ideals
- Elitism, e.g. celebrations that reinforce successes, belonging and specialness

For example, all Nordstrom employees are called Nordies. Candidates are closely interviewed and heavily indoctrinated. Everyone works from bottom up, the company structure is presented upside down with
customers and sales and sales support people at the top and Board of Directors at the bottom, everyone puts customer service first and they have exacting personal and professional standards with coveted rewards and recognition for top achievers.

3. Experiment a lot and keep what works

Myth debunked: Visionary companies do not succeed because of brilliant and complex strategic planning. They make some of their best moves by trial-and-error, opportunism and even accident.

Visionary companies do plan, but many of the best moves came from experimentation, trial and error, opportunism and accident. For example. Johnson & Johnson moved into consumer products by accident after the talc they provided with their medicated plasters became a hit with customers.

The organizations behave like evolving species and demonstrate evolutionary progress. Unlike BHAGs, this involves ambiguity (not clarity of goals), and incremental mutations (not big leaps).

KEY QUOTES

"What looks in hindsight like a brilliant strategy was often the residual result of opportunistic experimentation and "purposeful accidents."

"Failure is our most important product."
- R.W. Johnson Jr, J&J

Visionary companies more aggressively harness the power of evolution by trying out loads of stuff and keeping what works. This is in part possible because they concurrently exercise ideological control and operational autonomy – once their people fully understand and own the core ideals, they can be given freedom to experiment, adapt and act.

Such evolution is not by chance. 3M, for example, had a host of mechanisms to stimulate progress and purposeful evolution. These include a "15% rule" to encourage technical people to spend up to 15% of time on projects of their choice, "25% rule" to encourage each division to generate 25% of annual sales from new products and services in the last 5 years, and "own business opportunities" for 3Mers to run successful new products as their own projects or departments.

The authors identified some practical lessons to stimulate evolutionary progress:

- Stay in motion: fix, try, adjust, move, act. Keep trying and moving
- Accept that mistakes will be made
- Take small steps
- Give people the room they need
- Build mechanisms that sustain the stimulating environment
- Remember to preserve the core

4. Home-Grown Management

Myth debunked: You do not need to hire outsider CEOs to stimulate fundamental change. Most CEOs of visionary companies are home-grown – fresh ideas and change can come from the inside.

Collins & Parros found that in 1700 years of combined history of visionary companies, that there were only 4 cases of an outside being brought in for the role of CEO.

KEY QUOTES

"Like the genetic code in the natural world, which remains fixed while species vary and evolve, core ideology in a visionary company remains unchanged throughout all its mutations."

"To have a Welch-caliber CEO is impressive. To have a century of Welch-caliber CEOs all grown from inside – well, that is one key reason why GE is a visionary company."

Visionary companies were 6 times more likely to promote insiders to chief executives than comparison companies. Promotion from within preserves the core and provides continuity of leadership (besides quality) .

It may be harder for small and medium sized enterprises to select a CEO from within the company, but the companies can start developing its people and planning for succession early in the game. If you have to look outside for a top manager, then look for candidates who share the core ideology and core values at the deepest level.

5. Good Enough Never Is

Myth debunked: Visionary companies do not focus mainly on beating the competition. They focus on beating themselves; in so doing, they inevitably beat their competition.

In visionary companies, continuous improvement is not just a program or process improvement. It is an institutionalized habit, a way of life; it means doing everything possible to make the company better tomorrow than it is today. The cycle of self-initiated improvement is never-ending, and the company never is "good enough".

It can be easy to get complacent once you become the market leader. To combat complacency, visionary companies embed mechanisms to create discomfort, and instil a ruthless self-discipline. For example, P&G pits its brands against one another to generate internal competition;

KEY QUOTES

"All individual leaders eventually die. But a visionary company can tick along for centuries, pursuing its purpose and expressing its core values long beyond the tenure of any individual leader."

"Comfort is not the objective of a visionary company. Indeed, isionary companies install owerful mechanisms to create discomfort – to obliterate complacency – and hereby stimulate change and improvement before the external world demands it."

"Creating a visionary company requires huge quantities of good old-fashioned hard work, dedicated to improvement, and continually building for the future. There are no shortcuts. There are no magic potions. There are no work-arounds."

Nordstrom ranks Nordies on their Sales Per Hour (SPH) and links customer feedback to employee compensation; Boeing uses “eyes of the enemy”, a planning process that involves managers developing counter-strategies as if they worked for Boeing’s competitors.

Visionary companies put in much more long-term investment, including investment in human capital, compared to the comparison companies. They are also more likely to be early adopters. They simultaneously build for the future, while ensuring high short-term standards.

The End at the Beginning

Myth debunked: Companies do not become visionary through “vision statements”. Creating a vision statement is only one small step in the never-ending process of expressing their core ideology.

The essence of a visionary company comes in how it translates its core ideology and its drive for progress into every aspect of the company, including goals, strategies, policies, processes, organizational design, cultural practice, job design etc.

After a detailed review of what Ford, Merck and HP did to align their entire organizations, the authors listed several guideposts to help us achieve the same:

Paint the whole picture: Comprehensiveness and consistency over time are key. Signals and actions need to be reinforced everywhere, all the time, to reinforce the core ideology and stimulate progress.

Sweat the small stuff: People function in the day-to-day, nitty-gritty details of the company or business. All cues – big and small – are picked up by people and shape their belief of the big vision.

Cluster, don’t shotgun: The mechanisms or processes should not be random pieces. Rather, they should reinforce each other, and be clustered together to deliver a powerful synergistic punch.

KEY QUOTES

“A visionary company is like a great work of art… it’s the entire work – all the pieces working together to create an overall effect – that leads to enduring greatness.”

“Attaining alignment is not just a process of adding new things; it is also a never-ending process of identifying and doggedly correcting misalignments that push a company away from its core ideology or impede progress.”

Swim in your own current, even if you swim against the tide: Focus first on the alignment with your own internal compass, which will then guide your dealings with reality of your own. There are no universally "good" or "bad" practices; there are only practices that are fits or misfits with your company.

Obliterate misalignments: The only thing that must be preserved is the core ideology; everything else that are not aligned can be changed or eliminated.

Keep the universal requirements while inventing new methods: There are 3 universal/ timeless requirements to anchor: (i) Have a core ideology, (ii) have an unrelenting drive for progress, and (iii) Be well-designed to preserve these two elements. However, the specific methods used to achieve these 3 elements may change over time.

Building the Vision

= the enduring characteristics of an organization, or its self-identity

=

Core Values

(The organization's essential & enduring tenets, a small set of timeless guiding principles that hold intrinsic value to those inside the organization)

+

Core Purpose

(The organization's fundamental reason for being)

IF forced to choose, the core purpose should be prioritised over the core values.

= both concrete & vivid, dreamy & unrealized

A vision-level BHAG can focus on 4 categories - target, common enemy, role model, or internal transformation.

Use vivid descriptions that are vibrant, engaging, and with specific descriptions of what it will be like to achieve the BHAG.

The End at the Beginning

For those who are particular about research methodology, Collins & Porras elaborate on how they selected their choice of companies and their approach (e.g. how they defined and selected "comparison companies") in the preface and research appendices (especially Appendix 1 on research issues).

KEY QUOTES

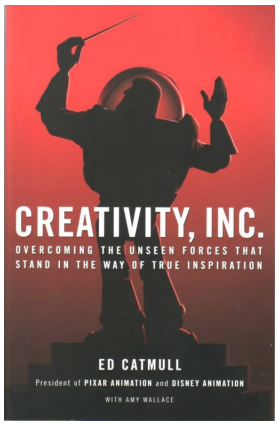
"A visionary company is like a great work of art... it's the entire work – all the pieces working together to create an overall effect – that leads to enduring greatness."

"Attaining alignment is not just a process of adding new things; it is also a never-ending process of identifying and doggedly correcting misalignments that push a company away from its core ideology or impede progress."

Some other details include:

- Core ideologies in the visionary companies
- A list of the Visionary Companies' Core and BHAGs
- A list of mechanisms used to stimulate progress at 3M
- Detailed case studies of how Ford, Merck and Hewlett-Packard created alignment
- The founding roots of all the visionary and comparison companies mentioned in the book
- A list of Frequently Asked Questions

KEY QUOTES



CREATIVITY, INC.

Overcoming the Unseen Forces that Stand in the Way of True Inspiration

BY ED CATMULL (with Amy Wallace)

The Big "So What"

Being creative and building a creative culture is a complex subject. Ed Catmull, President of Pixar Animation and Disney Animation, brings the process to life by sharing what happens behind-the-scenes in these 2 great companies.

Catmull believes there's no fixed formula for creativity, and innovation management is an ongoing, never-ending job. By sharing his reflections, mistakes, and the approaches used to remove barriers to creativity, Catmull shows us how creativity really works, and how we can likewise build and maintain a creative, solutions-oriented environment in our organizations.

Introduction

The book is written in a chronological order in 4 parts - Getting Started, Protecting the New, Building and Sustaining, and Testing What We Know - with key learning points incorporated in each section. These tips are *not* success formulas, but merely starting points for you to think about, and experiment with, to find what works for you.

In this summary, we'll present the key ideas in 3 parts:

- Key milestones;
- Foundations and barriers to creativity; and
- Building a creative culture.

Part 1: Key Pixar Milestones

In this section, we'll zoom in on some of the key developments that shaped Pixar and Disney Animation.

A dream was born. Since childhood, Catmull has aspired to be a Disney animator, but took the path of a computer scientist

KEY QUOTES

"This book… is for anyone who wants to work in an environment that fosters creativity and problem solving."

"My goal has never been to tell people how Pixar and Disney figured it all out but rather to show how we continue to figure it out, every hour of every day. How we persist."

"My job as a manager is to create a fertile environment, keep it healthy, and watch for the things that undermine it."

"Figuring how to build a sustainable creative culture… wasn't a singular assignment. It was a day-inday-out, full-time job. And one that I wanted to do."

instead. At the University of Utah, he experienced what it was like to be given all the resources and freedom to pursue his passions. By the end of his PH.D program in 1974, he had several innovations under his belt, and had crystallized his goal to make a computer-animated film - something unheard of at that time, when animation was 100% hand-drawn.

Catmull was hired to head the new computer graphics at the **New York Institute of Technology**, and was given full autonomy to assemble his team. Despite his fears, he hired Alvy Ray Smith, whom he felt was more qualified than him. Smith became one of Catmull's closest friends and collaborators, and he learned this key lesson: Always try to hire those who're smarter than you.

Pixar is Born. After the Star Wars movie was launched in 1977, George Lucas hired Catmull to head the *Lucasfilm* computer graphics division, to integrate video editing and digital audio into movies. After 4 years, the *"Pixar Image Computer" (PIC)* was born – it could scan live-action footage, add special effects images, and record the combined output back onto film.

Storytelling. In 1983, Catmull met animator *John Lasseter*, who later lost his job at Disney and joined Pixar. With a storyteller onboard, they created their *first production*. Although the team ran out of time and had to launch with some incomplete wire-frames scenes, , the audience were so fascinated by the story they didn't notice the flaws. They learned another key lesson: technical perfection is less important than the *right story* that touches hearts.

Pixar, a Hardware Company. In the same year, Lucas decided to streamline the business, including selling Pixar. In 1986, *Steve Jobs* bought majority shares in Pixar, and Catmull suddenly found himself as the President of a hardware company selling imaging computers - a role he had no experience in. To learn, Catmull read widely and consulted experts for advice.

- He soon found that the ideas in most books sound good, but hold little practical value, e.g. "have a singular focus" sounds logical, but doesn't tell you what to focus on. "Expert advice" to set high prices for the PICs only created an expensive image that they couldn't reverse. In the search for simple answers on how to price their product, they'd missed the more *vital questions*, like how to meet customers' expectations and how to develop software that make PIC.

KEY QUOTES

"By ignoring my fear, I learned that the fear was groundless."

"Always take a chance on better, even if it seems threatening."

"For all the care you put into artistry, visual polish frequently doesn't matter if you are getting the story right."

"A conversation with Steve took you places you didn't expect. It forced you not just to defend but also to engage."

"There is nothing quite like ignorance combined with a driving need to succeed to force rapid learning."

"Not everything is simple, and to try to force it to be is to misrepresent reality."

- Catmull was also heavily influenced by *Edward Deming's teachings* - to empower employees at all levels to find and fix problems. This would become a key foundation at Pixar.

For years, Pixar was bleeding cash. Finally, in 1991, it secured a **Disney contract**, where Disney would fund, own and distribute 3 Pixar movies. Lasseter assembled a great team for Toy Story, but the production process was full of challenges and conflict with Disney. Nearing the launch, Jobs predicted that with Toy Story's success, Disney would see Pixar as a potential rival. To safeguard Pixar's position, he decided to **take Pixar public**. In 1995, Toy Story broke box office records, the IPO raised almost $140m, and Jobs renegotiated a 50-50 split with Disney for future movies.

Forging Pixar's identity. In 1997, Pixar decided to let a new team drive *Toy Story 2*, while the original team worked on A Bug's Life. More than a year later, they realized Toy Story 2 was too far off the mark. Although Disney gave the green light, they decided to redo the film. The gruelling 9 months that followed shaped Pixar's identity in many ways:

- Despite their guiding principles - "Story is King" and "Trust the Process" - Pixar had created the wrong story and missed the gaps. Principles weren't enough; they had to *stay alert to changes*.

- By refusing to accept lower-quality releases, they affirmed their *commitment to quality.*

- To fix the film, people came together to constructively critique the story - this evolved organically into *Braintrust*, a powerful feedback mechanism elaborated in Part 3.

- They learned that great ideas, in the hands of the wrong people, would flop. However, if you give the *right team* (right talents with chemistry) the support and resources they need, they'll fix or recreate any idea to make it great.

- To launch Toy Story 2, everyone worked 7 days a week and barely saw their families. An exhausted artist even left his infant in the car and returned to find him unconscious. By the launch, people were totally burnt out. Pixar learned that, for long-term productivity and happiness, you need a *balanced approach*. For Pixar, this means making it easy for

KEY QUOTES

"You don't have to ask permission to take responsibility."

"Being on the lookout for problems… was not the same as seeing problems."

"Everyone says quality is important, but they must do more than say it. They must live, think and breathe it."

"If you give a good idea to a mediocre team, they will screw it up. If you give a mediocre idea to a brilliant team, they will either fix it or throw it away and come up with something better."

"If you get the team right, chances are that they'll get the ideas right."

staff to enjoy courses and facilities like swimming pools at the office, and not penalizing those with families for putting in less time at work.

A new goal. With Toy Story's success in 1995, Catmull finally fulfilled his goal of making a computer-animated film. However, as new problems emerged at Pixar (including those above), Catmull found his *new calling* – to learn what it takes to build a lasting creative culture, and build Pixar to outlive the forces that've brought down other great companies. We'll cover some of these philosophies and mechanisms in Parts 2 and 3 of this summary.

In 2006, **Pixar was sold to Disney** for $7.4 billion, and Catmull and Lasseter became President and Chief Creative Officer respectively for both Disney Animation and Pixar. They could now test if Pixar's approach could be replicated at Disney Animation, while preserving Disney's unique heritage. After their fair share of victories and mistakes, a *revitalized Disney Animation* launched Tangled in 2010 - their first #1 hit in 16 years.

Part 2: Foundations & Barriers to Creativity

In this segment, we'll highlight the key ingredients for creativity and problem-solving, and the barriers that stand in their way. In Part 3, we'll address how to overcome these barriers.

Discovery & Uncertainty

Many people think that a creative breakthrough starts with a brilliant idea by a visionary, who leads his people to victory. The truth is, most "geniuses" discover their vision through struggles over time, figuring things out along the way.

- In Part 1, we had a glimpse of the long journey from Catmull's initial goal to the completion of Toy Story 20 years later.
- *Monsters, Inc.* started out as a story of a 30 year old man coping with scary characters (that only he could see). The final product 5 years later was a markedly different movie about monsters who scared kids for a living.
- Director Pete Docter knew what he wanted to express in the movie, *Up*, but he took years to conceptualize a story that could

KEY QUOTES

"It was management's job to take the long view, to intervene and protect our people from their willingness to pursue excellence at all costs."

"The act of thinking about the problem and responding to it was invigorating and rewarding."

"At the heart of this merger was an understanding that both companies had to trust each other.

"Creative people discover and realize their visions over time and through dedicated, protracted struggle. In that way, creativity is more like a marathon than a sprint."

"We humans like to know where we are headed, but creativity demands that we travel paths that lead to who-knows-where."

"The best way to predict the future is to invent it."
- Steve Jobs

bring his vision to life. It started out as a floating castle with a king and his 2 sons vying for the throne. Four major iterations later, only the title and a tall bird from the original story remained.

In short, discovery means you must embark on the process without knowing the answer. This is uncomfortable for most people.

Getting Uncomfortable: Candour, Failure, Change

Candour. To create breakthroughs, candid feedback is invaluable. However, there are many reasons for people not to be candid at the workplace, e.g. fear of saying something stupid, offending others, or jeopardizing their career.

Failures and mistakes are also inevitable as part of trying something new. Yet, most of us have been conditioned to see failure as something bad and shameful, and we'd avoid it if possible. Organizations make it even worse by penalizing people for mistakes.

Change. It's natural to want to hang on to what works. Yet, as things change, we can't really know for sure what still works and what should be discarded. Most people also subconsciously resist change as they are worried (a) about the work involved, (b) to be seen as weak-minded or not knowing what they're doing; and/or (c) to preserve self-interest. Change is unavoidable. Denying the need for change won't stop its eventuality.

Blind Spots and Mental Models

The Unknown. Imagine you're standing on 1 side of a door, which represents the world you see and know. The other side is the endless world of the unknown and unseen. Staying on this side of the door *feels* secure, but in reality, the unknown forces on the other side are at work whether you see them or not.

- Most people don't know that Catmull had a close shave with death when he was 12 - had things gone differently, Pixar (including the people it touched and the events it triggered) won't exist. Likewise, our circumstances are shaped by countless *hidden factors and events* that we're oblivious to.

- *Hierarchy* (which is necessary in organizations) can also limit access to crucial information. As you move up the ranks,

KEY QUOTES

"The process of coming to clarity takes patience and candor."

"By definition, 'discovery' means you don't know the answer when you start."

"Without the critical ingredient that is candor, there can be no trust. And without trust, creative collaboration is not possible."

"Failure isn't a necessary evil. In fact, it isn't evil at all. It is a necessary consequence of doing something new."

"Fear makes people reach for certainty and stability, neither of which guarantee the safety they imply."

"People want to hang on to things that work… as we become successful, our approaches are reinforced, and we become even more resistant to change."

"To be truly humble… leaders must first understand how many of the factors that shape their lives and businesses are – and will always be – out of sight."

people tend to "manage upward" to present only what you'd like to see and hear, distorting the true picture of what's happening. People in *technical or front-line roles* also don't generally surface issues - they assume you already know, there's no need to involve upper management, or they try to appear in control.

Randomness. Our brains are designed to look for patterns, even when they don't exist. When a company does well, we tend to explain it using "success factors" or "organizational strengths", which are often over-simplifications of the truth. The media further reinforces these myths.

Mental Models. Besides seeing incomplete pictures and false patterns, we also assume (wrongly) that we see clearly with *hindsight*. The truth is, our brains fill in gaps with assumptions and patterns (without our awareness), and we're biased toward memories that hold meaning for us. That's why different people see and recall an event differently. Yet, we typically assume that our view is the best and correct one. Our mental models can distort our worldview, and make us rigid or blind to alternative solutions. This problem is compounded at an *organizational level*, as people's mental models become intertwined when they work closely together. Organizations develop biased mental models based on their know-how and experiences.

Leaders must remember that there are many hidden and random factors affecting their success, to be humble to alternative views, and constantly seek to uncover their blind spots.

Protect the New

A large organization needs projects and revenues to keep its staff and facilities occupied. More revenues lead to more staff and pressures to grow, creating a self-perpetuating cycle ("**feeding the beast**"). Ultimately, standards drop. On the other hand, new creations are like **ugly babies** – they look awkward, and you don't know if they'll grow up, much less how they'll look.

For creative solutions to blossom, we must protect the Ugly Baby (new ideas) from the Hungry Beast (deadlines and targets). This is not to preserve old practices or interests,but to prevent new concepts from being killed prematurely. For instance, Pixar wanted to introduce internships, but the departments didn't

KEY QUOTES

"We ignore the things we cannot see and make deductions and predictions accordingly."

"Because (leaders) weren't aware of these blind spots, they assumed that the problems didn't exist."

"We must be careful not to believe our own hype."

"We are aware of the results of our brain's processing but not the processing itself."

"Most of us walk around thinking that our view is best – probably because it is the only one we really know."

"If you don't try to uncover what is unseen and understand its nature you will be ill prepared to lead."

"When someone hatches an original idea, it may be ungainly and poorly defined, but it is also the opposite to established and entrenched – and that is precisely what is most exciting about it."

"Our job is to protect our babies from being judged too quickly. Our job is to protect the new."

want to pay for inexperienced interns. Pixar hired the interns using corporate budget, and made them available as a shared resource. The program turned out to be so successful that the departments began to pay for their own interns.

Part 3: Building a Creative Culture

In this segment, we'll highlight some of the mechanisms used at Pixar to overcome the barriers to creativity. Combined, these mechanisms build candour, make it okay to make mistakes, challenge mental models and uncover truths, and tap on the brainpower of every team member.

Broadening our Viewpoints

Rather than pretend or try to know everything, it's better to accept that we *can't*. Instead, focus your attention on how to *combine differing viewpoints*, treating them as additive rather than competing. Here are several mechanisms that Pixar uses to expand perspectives:

"Dailies" are **problem-solving sessions** where team members share their work-in-progress, get constructive feedback, and get applauded for their work. This makes it safe to show incomplete work, give/receive feedback, discuss problems, learn from and inspire others.

Research Trips. Pixar teams immerse themselves in the subjects of the film, e.g. the Ratatouille team spent 2 weeks in France dining in Michelin-starred restaurants, learning how chefs work and even trudging through sewers where rats live. Such trips challenge clichés, bring fresh inspiration, and allow the teams to bring realistic microdetails that make the movies rich and authentic.

Useful limits. Creative work can be like bottomless pits. Setting limits force us to (a) find smarter ways to do things, (b) stop trying to perfect things, and (c) prioritise finite resources. When setting limits, focus on empowering people to solve problems, rather than preventing them from screwing up.

Combine different fields. The integration of art and technology is vital at Pixar. It challenges people to step outside their specialization, review their mental models, and has inspired many innovations, like the "Review Sketch Tool" (which allows you to sketch suggestions onto a digital image), and the "Pitch Doctor" (to do a realistic pitch for feedback).

KEY QUOTES

"The cost of preventing errors is often far greater than the cost of fixing them."

"Inspiration can, and does come from anywhere."

"If there is fear, there is a reason – our job is to find the reason and to remedy it."

"Research trips challenge our preconceived notions and keep clichés at bay. They fuel inspiration."

"Any time we impose limits or procedures, we should ask how they will aid in enabling people to respond creatively."

"Our specialized skills and mental models are challenged when we integrate with people who are different."

Small experiments. In 1996, Pixar's revived its short films (screened for free before movies) as part of its R&D efforts. Although the "shorts" can cost millions to produce, they allow Pixar to test new technologies, approaches, or talents before deploying them for bigger projects (thus reducing failure risks). This also creates opportunities for smaller teams to bond, connect with moviegoers, and sends an internal signal that Pixar values artistry.

Learn to see. Pixars' drawing program teaches more than drawing skills. To draw objects as they are (not what you *think* they are), the staff must become aware of their preconceived notions and learn to put them on hold. Drawing variations (e.g. upside-down objects) also hone observation skills.

Post-mortems help (a) create opportunities for reflection, (b) consolidate what's been learned, (c) teach others who weren't present, (d) address misunderstandings, and (e) equip future project teams with the right questions to ask. However, people generally dread post-mortems. To make them effective:

- *Vary the format*, and use mid-mortems to identify topics to focus on;
- Get people to list the top 5 things they'd want to do again and 5 things that they wouldn't. This *softens the approach.*
- Use *data* as part of your analysis.

Continuous learning. Pixar offers a wide range of classes e.g. painting, acting, belly-dancing. This creates opportunities for employees to meet and bond with new people. It also forces people to try new things, and get comfortable with imperfections.

Braintrust Meetings

In creative work, the creators must immerse themselves in the projects, yet not miss the forest for the trees. Braintrust meetings have been a valuable source of constructive feedback for Pixar directors. The meeting starts with a brief intro by the director, who then shows his work-in-progress and invites feedback. **Braintrust is unique in 2 key ways:**

It's made up of **qualified participants** who're well-versed in the subject matter (which, in Pixar's case, is storytelling). It's like

KEY QUOTES

"The goal is to learn to suspend, if only temporarily, the habits and impulses that obscure your vision."

"A good postmortem arms people with the right questions to ask going forward."

"Think of data as one way of seeing, one of many tools we can use to look for what's hidden."

"The attempt to avoid failure… makes failure more likely".

"Seek out people who are willing to level with you, and when you find them, hold them close."

having a panel of specialists to advise you on a medical case. People may argue passionately, but the focus is *always* on the project. There's no hidden agenda, and nothing is taken personally.

There's **no hierarchy/ authority** - everyone is treated as equals, with the aim of surfacing potential issues to help their colleague succeed. The creator can choose to adopt any or none of the feedback.

Disney Animation successfully adapted its Storytrust using this approach, and Catmull believes any organization can create its own Braintrust.

Creative Experimentation

In science experiments, every outcome is good, as it provides data to support or disprove a hypothesis, and unexpected discoveries may emerge. It's the same with creative experimentation.

Identify your Red Flags. A key challenge is to balance creative and business needs, and to know where to draw the line. For Pixar, the red flag is when a director loses the crew's confidence. As a director-led company, when team members feel lost and confused, it's a sign the leader has lost direction, and the project is in trouble.

When failures occur, it's important to learn from them. At Pixar, if major issues surface, it's common for the key personnel to dedicate 2 days for an offsite meeting, to focus on understanding the problem and its root cause(s). At such meetings, everyone participates, and no one shirks their roles or responsibility.

It's crucial to create an environment where **fear and failure are separated**. When leaders respond constructively to failure, people are not fearful to make mistakes, and can work in unity to solve key problems.

Handing Change and Randomness

When directing "Up", Pete Docter used these tips to keep himself and his team **motivated despite the changes and uncertainty**:

o List the problems and group them into 2-3 broader issues -

KEY QUOTES

"Frank talk, spirited debate, laughter, and love. If I could distill a Braintrust meeting down to its most essential ingredients, those four things would surely be among them."

"The key is to look at the viewpoints being offered... as additive, not competitive."

"To be a truly creative company, you must start with things that might fail."

"If the crew is confused, then their leader is, too."

"Management's job is not to prevent risk but to build the ability to recover."

"It is not the manager's job to prevent risks. It is the manager's job to make it safe to take them."

"Working with change is what creativity is about."

it's easier to tackle a handful of issues than feel everything is wrong.

- Instead of announcing a change, "trick" people to *chat* about it. When they catch the idea or vision, they'll be excited to make the change.

- If you're stuck, take a break to *play* and have *fun*. Return to tackle the issue when your mood has shifted.

When **random mistakes** happen, there's no point in blaming the staff. Focus on the solution and future safeguards.

We tend to draw an artificial line between "small" vs "critical" problems, and treat them differently. It's better to **treat all problems equally**, and empower people to solve problems – this prevents small problems from compounding, and people are less likely to freeze in fear when they face a big issue.

Recognize that **human potential** is random and can't be predicted. We can only find out over time who will step up to the challenge.

Constructive Mental Models

With so many obstacles to overcome, it's normal to feel overwhelmed. At Pixar, people use familiar pictures (or mental models) to handle fear, challenges and tough decisions. Here are some examples:

Directors and creative roles often involve pursuing an unseen destination. *Pete Docter* compares directing to running through a long tunnel – you may not see your way, but you know an opening exists. *Brad Bird* uses skiing to remind himself not to over-analyze; the only way to go fast without crashing is to relax. *George Lucas* sees his company like a train full of team members who're determined to get to their destination. *Bob Peterson* thinks of making a movie like an archaeological dig – you uncover pieces each time, and finally get an idea of what it is.

Producers and logistical roles require a different set of models. *John Walker* imagines balancing an upside-down pyramid perfectly on the palm of his hand. *Lindsey Collins* imagines herself as a chameleon who can take on the personality needed for the task at hand. *Katherine Sarafian* imagines people on a

KEY QUOTES

"While we can agree in principle that an organization needs to be flexible in order to solve problems, living up to that principle can be extraordinarily difficult."

"Big and small problems are, in key ways, the same."

"Everyone says they want to hire excellent people, but in truth we don't really know, at first, who will rise up to make a difference."

"I've known many people I consider to be creative geniuses… yet I can't remember a single one who could articulate exactly what this vision was that they were striving for when they started."

"Our mental models aren't reality. They are tools… The tool is not reality. The key is knowing the difference."

different floors of a condo (each with a different view, and can take the lift to visit others).

Catmull personally finds **mindfulness practice** to be useful in management, as it helps him to focus on the problem calmly without panic nor avoidance.

Notes Day

While Catmull and Lasseter were transforming Disney Animation, Pixar was starting to face its own **crisis**. After years of success, people were starting to *self-censor*. Meanwhile *production costs* were increasing, with growing *external market pressures*. At an offsite retreat, Pixar leaders identified the need to reduce costs by 10%. They decided to close down the office for 1 day, so everyone could jointly solve the problem. Notes Day was born.

Leaders volunteered to run the event, the goals were explained to staff over 3 sessions, and electronic suggestion boxes were set up. Some 4000 emails (with ideas on topics and how to run Notes Day) were screened and distilled to 120 topics (e.g. Tools & Technology, Environment & Culture). Sessions were created based on the topics people wanted to sign up for, and facilitators were trained to run the sessions to extract proposals, ideas, best practices, and next steps.

On that day, Lasseter set the tone by sharing candidly how hard but vital it was for him to receive 2.5 pages worth of personal feedback, and encouraged everyone to embrace the process. By the end of the day, Pixar was abuzz with excitement. People had met new colleagues, understood problems and successes in other departments, and felt deeply invested in Pixar's future.

Notes Day's success was due to at least **3 factors:** There was a clear goal (cut costs by 10%), it was championed by the highest levels of the company, and was led and organized from within. More importantly, it demonstrates that sustaining a creative culture is an ongoing effort that calls for constant adjustments and innovations.

Other Details in the Book to Look out For

Stories are powerful, and this book is packed with stories that help you to experience the challenges, triumphs, and learning experiences

KEY QUOTES

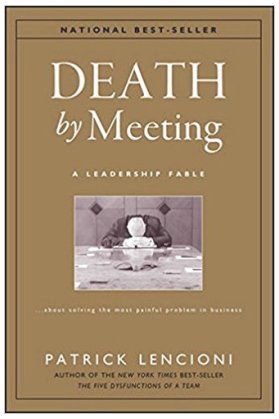
"To keep a creative culture vibrant, we must not be afraid of constant uncertainty."

"The future is not a destination – it is a direction. It is our job, then, to work each day to chart the right course and make corrections when, inevitably, we stray."

through Catmull's eyes. We've captured some of the key highlights and tips in this summary, though there's much more to be gleaned from the details in this inspiring and engaging book, including:

- Behind-the-scenes processes, struggles and fixes for movies like Toy Story, Finding Nemo, Tangled, Ratatuoille, Bolt etc;
- Deliberations and decisions that give us a glimpse of great minds (like Jobs, Lasseter, Lucas, Catmull etc.) at work;
- The challenges and steps taken to manage Pixar and Disney Animation after the 2006 merger; and
- An afterword about Steve Jobs and a list of "starting points" you can use to build a creative culture.

KEY QUOTES



DEATH BY MEETING

A Leadership Fable About Solving the Most Painful Problem in Business

By PATRICK LENCIONI

The Big "So What"

Meetings are an essential part of our work. Great meetings help people to pool resources and knowledge to solve problems and make sound decisions. However, bad meetings are painful, a waste of time and resources, and lead to bad decisions. This book offers a simple, practical solution to making your meetings more effective and enjoyable.

The Fable

Lencioni uses a fable to illustrate the dynamics behind meetings, and how they can affect organizational outcomes.

The story is set in Yip Software, a company that creates and markets creative, realistic sports games. Casey McDaniel is the founder and CEO of Yip. He's a likeable man with a good sense of what the market wants. The company, Yip, is stable with capable employees and cordial staff relations. However, the employees clearly lack passion and drive, and the company is not performing at its full potential.

As the story unfolds, we realize that Casey's executive meetings are terrible. Although the meetings end punctually every week, nothing substantial is achieved in the 2 hours.

- The agenda includes every area of the company (from budgets to strategy, training and marketing), and there's never enough time to cover everything in full;

- Controversial or strategic issues are glossed over or deferred, as the executives try to avoid conflict and there's no time to discuss the problems in detail. Instead, the discussions tend to drift without focus, and time is wasted on small talk and non-essential issues.

KEY QUOTES

"For those organizations that can make the leap from painful meetings to productive ones, the rewards are enormous. Higher morale, faster and better decisions, and inevitably, greater results."

"The hard truth is, bad meetings almost always lead to bad decisions, which is the best recipe for mediocrity."

- All the executives dread the meetings, and find excuses to come late or skip as much of it as possible. Yet, everyone is resigned that that's the way things are.

In fact, the poorly-run executive meetings reflect the underlying culture and state of the company: Yip's staff are comfortable with their niche and that targets will be met, and there's a general lack of urgency to move the business to the next level.

Things take a turn when Yip is acquired by Playsoft, the second-largest video game maker in the country. Suddenly, Casey finds himself at risk of losing his job, and needs to prove that he can get his meetings ontrack. With the help of his temporary assistant, they find a way to transform their meetings to become productive and energizing.

A Model for Effective Meetings

The Paradox of Meetings

Most of us face this dilemma with meetings: they are critical to our work, yet we dread meetings as they're draggy and often useless.

If you're asked to choose between a 2-hour movie and a 2-hour meeting, you'll almost certainly choose a movie. Yet, meetings should be no less interesting than movies because:

- Movies are passive, whereas **meetings are interactive**. You can't interrupt the actors or the plot in a movie, but you can engage in a discussion at a meeting and shape the outcome; and

- Movies don't affect our lives, whereas the decisions from **meetings directly impact what we do** after the meeting, or how we spend our time and effort.

Whether a meeting is productive or energizing doesn't depend on its duration. After all, you can sit through a good movie for hours, and even re-watch it many times. Using the analogy of movies/TV, Lencioni explains the 2 real problems behind meetings: they are boring and ineffective.

KEY QUOTES

"Bad meetings at the executive level usually indicated a huge gap between performance and potential."

"How is it that we can enjoy one activity that is inherently passive and irrelevant, and loathe another that is interactive and relevant?"

Problem #1: Meetings are Boring

Solution: Overcome the lack of Drama and Conflict

Why meetings are boring: Most meetings are monotonous and draggy because they lack drama and conflict.

- *Movies and TV programs* are engaging because they come with drama and conflict. These keep us at the edge of our seats, anxiously awaiting to see how the situation or problem will be resolved.

- *Organizations* come with natural conflict, since people have different views, ideas, roles and priorities. However, meetings become boring because leaders try to avoid conflict and stick to meeting schedules, rather than take time to unearth differences and encourage constructive debate and solutions.

To make meetings interesting/ energizing, create a "hook" and mine for conflict:

Use the Hook: The first 10 minutes of a movie are the most crucial, because it determines if you catch or lose the audience's attention.

- Likewise, use the first 10 minutes of a meeting to *capture the participants' attention.*

- Give people a *reason to care*, e.g. by illustrating how a major competitive threat will affect them/the company, or by highlighting the dangers of a bad decision for everyone in the company.

Mine for Conflict: When smart, capable people come together to discuss an important topic, they will inevitably have different views.

- A leader must *seek out and uncover underlying issues* and disagreements between team members. Although it's uncomfortable to confront a problem, it's worse to pretend it doesn't exist.

- Meetings become *engaging and interesting* when there's constructive conflict and a focused effort to seek solutions.

KEY QUOTES

"Conflict is at the center of every great movie. It is the essence of drama, and it is the reason audiences become and remain engaged in a story."

"The key to injecting drama into a meeting lies in setting up the plot from the outset… so that (participants) understand and appreciate what is at stake."

"The only thing more painful than confronting an uncomfortable topic is pretending it doesn't exist."

On the other hand, indecision and conflict-avoidance make meetings boring and frustrating.

- To overcome discomfort to conflict, a leader can get *real-time permission*. You can *announce upfront* that conflict is expected and essential. When you detect underlying concerns from others' questions or body language, *invite* people to voice their concerns. *Interrupt* someone to emphasize that constructive conflict is welcome, e.g. "Before you continue to explain your concern, I just want to highlight that this is exactly the kind of engagement and conflict that we need, to get a better decision."

- The *goal* is not to reach consensus, but to ensure that all key points of views and contention have been aired and considered. The leader will make the final decision with everyone's commitment to support it.

- This process takes more time, but it delivers a *clear, informed decision*. This is much better than the issue resurfacing many months later, or having people complain that they never agreed to the decision in the first place.

KEY QUOTES

"Everyone, but especially you, as the leader of the group, needs to be looking for places where people have different opinions but aren't necessarily putting them out there. You need to be constantly mining for buried conflict."

"I'd rather spend three hours on something and come to the right decision than spend one hour and get nowhere."

Problem #2: Meetings are Ineffective

Solution: Overcome the lack of Contextual Structure

Why meetings are ineffective. Most companies only have 1 type of regular staff meeting. As a result, people don't know what topics are appropriate, and bring up all sorts of issues at the meeting

- We have *different types of TV programs* for different audiences, e.g. headline news are structured and delivered differently from a sitcom or movie.

- Likewise, we need *different types of meetings*—with different formats, frequencies and duration—for different goals. For instance, you need time to research and debate strategic issues; discussing them at weekly meetings takes time away from urgent, tactical issues that must be addressed for short-term action.

"There is nothing inherently about meetings that makes them bad, so it is entirely possible to transform them into compelling, productive, and fun activities."

Here are 4 key types of meetings, each designed for different purposes:

Daily Check-ins (5-10min). These are like your daily headline news, and should last no more than 5 minutes (or 10 minutes for larger groups).

- The *goal* of a daily huddle is to share daily activities, so you clarify daily expectations and ensure nothing falls through the cracks. Trying to sort out these out individually via emails or phone could take much more time and effort. However, this arrangement may not work for all organizations—for instance, if your team members work remotely or in different locations, it may not make sense to try to coordinate such daily sessions.

- The *format* is simple: each person states his/her key activities for the day, in 1 minute.

- For this meeting to be effective, it must be quick. Here are the common challenges and *key success factors*:

  i. It's common for daily check-ins to start strong, then fizzle out. The key is to make it a natural part of your daily routine. Have *a fixed time and place, and never cancel it*, even if there are only 2 people in the office that day.

  ii. Be disciplined and keep it to 5 minutes. To keep it short, do the discussion standing up (instead of sitting down).

  iii. Try this out for 2 months, then *evaluate* if the arrangement is working.

Weekly Tactical (45-90 mins). These are like your 1-hour sitcoms or TV drama, with a fixed format, timing and duration. The sessions can be held weekly or fortnightly, and should last for 45-90 min (depending on the frequency of the meetings).

- There are *2 goals* for this meeting: (a) *resolve urgent tactical issues* (including removal of obstacles) and (b) *gain clarity* (by putting everyone on the same page). Thus, everyone *must* attend.

KEY QUOTES

"Five minutes every day would save us countless emails and voice mails and office drop-ins."

Use this *format* for maximum effectiveness:

i. *Lightning Round*: Start by having each person state his her 2- 3 top priorities for the week. Limit it to 1 minute per person. This gives everyone a sense of what's going on, and sets the tone for the meeting.

ii. *Progress Review*: The team takes no more than 5 mins to update on 4-6 key metrics, to get a sense of their short term performance. Do *not* cover all the metrics, or discuss any of the issues.

iii. *Real-Time Agenda*: The 2 items above should take no more than 15min. Based on the members' priorities and metrics, the team then decides on the tactical issues they must address to make the week most productive for everyone. For example, "Should we increase advertising this month to support sales?", "Do we need to talk to IT department to get the tech glitch sorted?"

For this meeting to be effective, here are some *key success factors* to take note of:

i. *Do not prepare an agenda in advance*. Having a real-time agenda means the loss of some control, but it keeps the meeting relevant, focused and effective.

ii. *Avoid going into details* during lightning round. Stick closely to 60s per person, and limit the discussion to short-term, tactical issues. If any long-term or strategic issues arise, "park" them aside into a list of possible topics for the strategic meetings.

Monthly/Ad-hoc Strategic (2-4hrs). These are like a full 2-hour feature-length movie.

The *goal* of the monthly strategic meeting is to deep-dive into critical issues that have a major impact on the organization's long-term success. The duration of the meeting will depend on the number of topics on the agenda.

Choose *1-3 topics* in advance, and ideally set aside at *least 2 hours* for each topic, so you have enough time to analyze,

KEY QUOTES

"There is simply no substitute for a good meeting—a dynamic, passionate, and focused engagement—when it comes to extracting the collective wisdom of a team."

debate, and make decisions for each one. Whenever something big comes up at a Weekly Tactical, park it in a list of *potential strategic issues*. You can also get everyone to write down 1 topic, do a 60-second pitch on why it must be discussed, then vote for the item(s) to be included at the next Strategic Meeting.

Schedule these meetings regularly (ideally monthly). If there are urgent issues to be addressed, call for an extra *Ad-hoc Strategic Meeting*.

The *format* for discussion should be similar to a feature length movie: Start with a 10-minute hook, then mine for conflict and unearth different perspectives, before heading for resolution.

Here are some *key success factors* for effective strategy meetings:

i. Make sure you *schedule adequate time* for each topic, and avoid packing too many items on the agenda. It's better to zoom in on 1 important issue, tap on everyone's inputs to resolve it as best as possible, than to have a "complete" agenda and no time to discuss the items.

ii. *Prepare and research* the topics in advance, so you can have a meaningful and thorough discussion. You can assign a lead person for each topic—he/she will be accountable for ensuring that members come to the meeting prepared for the discussion.

iii. The leader must actively mine for conflict; don't be afraid to *thrash out the issues* and debate the issues openly. Despite the preparation, you're unlikely to reach a clear conclusion based on numbers and facts alone. The leader must be prepared to make a judgment call based on the inputs gathered.

Quarterly Off-site Review (1-2 days). This is the equivalent of your mini-series, and would usually take 1-2 days. While 2 days a quarter may seem like a huge commitment, it only adds up to 8 days or 3% of the work-days in a year. When done properly, the payoffs will significantly outweigh the time and resource commitment.

KEY QUOTES

"The leaders of these meetings have to think of themselves as directors. Get people hooked in those first ten minutes, then mine for ideological conflict, and drive it to conclusion."

"You have a passionate, unfiltered, messy, provocative discussion that ends when the leader of the team decides all the information has been aired."

The *goal* here is step away from daily/tactical issues, and do a comprehensive, holistic review of the company's strategic direction. The topics could include:

i. *Comprehensive Strategy Review*: Market conditions change rapidly, and you should re-assess your strategic direction not just once a year, but 3-4 times a year.

ii. *Team Review*: As leaders of the organization, you must constantly evaluate yourselves individually and as an executive team, to ensure you're acting in the best interests of the organization.

iii. *Personnel Review*: Get feedback on your key employees, from your peers across other departments. This gives you a more holistic view of your team's strengths and weaknesses, and allows the executive team to jointly nurture and retain top performers while supporting poor performers.

iv. *Environmental Review*: Step back to look at wider trends, opportunities and threats involving your competitors or industry.

KEY QUOTES

"Effective off-sites provide executives an opportunity to regularly step away from the daily, weekly, even monthly issues that occupy their attention, so they can review the business in a more holistic, long-term manner."

"Even the best executives can lose sight of the forest for the trees when inundated with daily responsibilities."

Here are some *key success factors* for effective off-site meetings:

i. Don't overwhelm yourself with tons of *lengthy slide presentations and speeches*. Focus on what's needed to reflect on and discuss your strategic direction.

ii. The reason for holding the meeting off-site is to get away from your daily work, and devote your attention to the review. There's no need to waste time and resources on *exotic travel destinations, social activities and silly games* No amount of team-bonding or social activities will work if the team isn't united by clarity and common goals.

iii. Don't invite outsiders to attend the off-site meeting as it will disrupt your team dynamics. The only exception is if the invitee is a trusted facilitator who understands your business, and has a vested interest in your team's success.

Here's a quick recap of the 4 types of meetings:

MEETINGS	DURATION	PURPOSE/FORMAT	KEYS TO SUCCESS
Daily Check-in	5-10 minutes	Share daily activities: get clarity & alignment 1min per person to share daily activities	• Keep it short. Don't sit down. • Keep it administrative. • Set a fixed time & place; Never cancel it.
Weekly Tactical	45-90 minutes	Resolve tactical issues + align team priorities. Lightning round → Progress review → Real-time agenda	• Don't set agenda in advance. • Stick to tactical issues.
Monthly (Or Ad-hoc) Strategic	2-4 hours	Deep-dive into critical issues for long-term success. 10-min hook → Mine for conflict → Resolve issue	• Ideally 1-2 topics; give enough time • Prepare & research in advance. • Embrace constructive conflict.
Quarterly Off-site Review	1-2 days	Step back to holistically review strategic direction. Can review your strategy, executive team, key personnel & trends/ environment.	• Go away from office (but not necessarily out of town). • Limit social activities; focus on work. • Don't overload on lengthy presentations/structure.

Getting It Right

Most employees (including leaders) have the misconception that meetings are a waste of time, and a necessary evil at work. They reluctantly attend the meetings, and try to finish the discussions quickly so they can get back to their "real work".

Lencioni emphasizes that meetings are vital management and communications platforms that all leaders should master. When run well, meetings can provide clarity, alignment and solutions to save time/resources and improve results. When run poorly (which happens in most organizations), the lack of clarity and direction ripple throughout the organization to result in confusion, poor morale and the loss of even more time and resources.

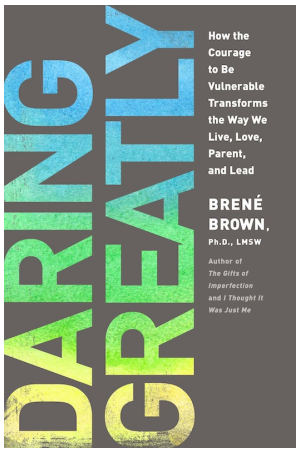
To improve communication, productivity and passion in your organization, get your meetings right.

KEY QUOTES

"When we fail to get clarity and alignment during meetings, we set in motion a colossal wave of human activity as executives and their direct reports scramble to figure out what everyone else is doing and why."

"Who cares how long it takes if you're making a decision that you're going to have to live with for years?"

"Improving meetings is not just an opportunity to enhance the performance o our companies. It is also a way to positively impact the lives of our people. And that includes us."



DARING GREATLY

How the Courage to be Vulnerable Transforms the Way We Live, Love, Parent and Lead

By Brené Brown, Ph.D., LMSW

The Big "So What"

As human beings, we have a fundamental need for connection, love, and belonging. Yet, we fear rejection and are afraid we're not good enough. We try to hide our vulnerabilities, only to create a greater disconnect with our families, communities, and work. Based on 12 years of research, this book explains the concept of vulnerability, and how to embrace it for wholehearted living and fulfilling connections.

Introduction

Having worked and researched widely on the constructs of human connection, Brown discovered that vulnerability is one of the most powerful explanations for human behaviour. In the book, Brown explains vulnerability and shame, and why embracing (rather than avoiding) them is the key to more fulfilling connections. Daring greatly is about embracing vulnerability and imperfection, to live wholeheartedly and engage courageously.

In this summary, we've consolidated the ideas into 4 parts: understanding vulnerability, managing shame, removing the armour, and closing the gap.

Part 1: Understanding Vulnerability

A Culture of Scarcity

Most of us live in cultures of scarcity or "never enough". We're constantly measuring and comparing what we have, against what we want, what we don't have, what others have, or even how things used to be. We long for connection and belonging, yet we're afraid of being unworthy if we don't live up to a standard or ideal.

KEY QUOTES

"Vulnerability is the core, the heart, the center, of meaningful experiences."

"Social work (is not) about fixing… (it) is all about leaning into the discomfort of ambiguity and uncertainty, and holding an emphatic space so people can find their own way."

"If we're willing to dare greatly and risk vulnerability with each other, worthiness has the power to set us free."

"The bottom line is that daring greatly requires worthiness."

Many of our deepest insecurities involve being not smart enough, not loveable enough, not successful enough, not slim enough, etc.

There are **3 key components of scarcity:**

Shame: When we measure our self-worth by how much we achieve, earn, produce, conform, etc., or when we use fear (of rejection, humiliation etc.) to control or manipulate others.

Comparison: When we compare and evaluate people based on a fixed yardstick, rather than appreciate them for their uniqueness.

Disengagement: When people avoid taking risks and speaking up, or when they compete for attention (to be seen or heard).

When you examine these components, you'd realize the opposite of scarcity is not abundance, but "enough". When you feel you're good enough regardless of what you do (or don't do), you'll dare to engage despite uncertainty and emotional risks. Brown calls this "wholeheartedness".

When we remove labels and stereotypes, to see people through the lenses of vulnerability, we start to understand the real struggles beneath their actions. For example, people complain that the younger generation is becoming increasingly self-centred and obsessed with social media. From the perspective of vulnerability, many of these kids have been influenced by reality TV and celebrity culture to believe that they're only as good as the number of followers or "likes" they have; they're simply trying to feel special in a world of "never enough".

Debunking the Vulnerability Myths

To understand vulnerability, it helps to understand what it is not.

Vulnerability is not Weakness.

- Vulnerability is merely a *feeling* of being "naked", a sense of uncertainty and emotional exposure. This is an inevitable part of life, and there's nothing good or bad about it. When we associate vulnerability with weakness, we try to avoid it and hide our feelings as a mistaken sign of strength. For example, love is uncertain; yet, avoiding love to escape vulnerability makes life meaningless.

KEY QUOTES

"The greatest casualties of a scarcity culture are our willingness to own our vulnerabilities and our ability to engage with the world from a place of worthiness."

"The one thing we have in common is that we're sick of being afraid. We all want to be brave. We want to dare greatly."

"Sometimes the simple act of humanizing problems sheds an important light on them, a light that often goes out the minute a stigmatizing label is applied.

"We've confused feeling with failing and emotions with liabilities."

"Truth and courage aren't always comfortable, but they're never weakness."

- In fact, things that make you feel vulnerable - e.g. doing something controversial, or saying "sorry" - are typically associated with *courage and truth* (not weakness). We see others' vulnerability as courage, but condemn our own as weakness. We want others to be open and accessible to us, yet we're afraid to be open and accessible.

- Instead of asking yourself, "What would I attempt to do if I knew I could not fail?", Brown challenges you to ask, "What's *worth doing* even if I fail?"

Vulnerability is not an Option. People may claim they don't "do vulnerability" because they are strong, logical, professional etc. However, vulnerability is not a choice – life itself is unpredictable, and we all feel unsure and exposed at times. The key is how we respond to vulnerability.

Vulnerability is not Letting It All Out. Embracing vulnerability is not about baring your soul to everyone. It's about opening up to people with whom you've cultivated a strong, trusting relationship, to share with reciprocity, trust and boundaries. Building such relationships takes time, and Brown likens it to a filling a jar with marbles:

- We *add marbles* when people demonstrate that they care. They share their secrets and keep ours; they remember what matters to us, involve us when things go well, and show concern when we face challenges.

- We *remove marbles* when the opposite happens. In fact, when those closest to us start to become disengaged, we feel hurt because it triggers our feelings of shame, unworthiness and fear of abandonment. The entire jar can be shattered in the event of a major betrayal, e.g. when someone uses your secret against you.

- Building trust is a *chicken-and-egg situation:* you'd want to feel trust before showing vulnerability, but you must be willing to be vulnerable to gain trust.

Vulnerability isn't best tackled alone. Most cultures value the ability to solve problems independently. However, the best way to handle vulnerability is with support from others. Research shows that, when someone is willing to be vulnerable, others

KEY QUOTES

"We love seeing raw truth and openness in other people, but we're afraid to let them see it in us."

"Often the result of daring greatly isn't a victory march as much as it is a quiet sense of freedom mixed with a little battle fatigue."

"When the people we love or with whom we have a deep connection stop caring, stop paying attention, stop investing, and stop fighting for the relationship, trust begins to slip away and hurt starts seeping in."

"Sometimes our first and greatest dare is asking for support."

perceive it to be courageous, and gradually open up too. Courage is contagious.

Part 2: Understanding and Managing Shame

What is Shame?

Shame is the agonizing feeling that we're flawed and hence unworthy of love and belonging. All of us experience shame, everyone is afraid to talk about it, and our silence only gives it even more power. Shame is different from guilt, humiliation and embarrassment, because we see the flaw as a part of who we are.

- You feel **guilt** when you think you've *done* something wrong ("how could I do that?"). Your actions seem incongruent with who you are, and you're likely to apologize or make amends.

- You feel **humiliated** when you feel you don't *deserve* a negative outcome ("they have no right to do this").

- **Embarrassment** is the least severe and will usually pass quickly.

Shame is different, because you feel you're bad as a person ("I'm such a loser"), and you deserve the bad outcomes. Research shows that shame is correlated only with negative outcomes, like violence, aggression, or depression.

Building Shame Resilience

We can't avoid or remove shame from our lives, but we can become more resilient to it. There are **4 key elements** of shame resilience:

Recognize shame. Let's imagine you're writing a book and feel unsure about finishing it. As you look deeper, you notice a voice telling you that you're a lousy writer, and another one saying you'll be a laughing stock. Brown calls them your "gremlins". Learn to identify shame and its triggers - know and acknowledge when you're feeling shame, and start to understand your own self-doubts and self-criticisms.

Evaluate expectations. Identify the judgments behind the shame, which are often linked to *social and cultural expectations.*

KEY QUOTES

"Shame derives its power from being unspeakable."

"Shame is the fear of disconnection – the fear that we're unlovable and don't belong."

"When our self-worth isn't on the line, we are far more willing to be courageous and risk sharing our raw talents and gifts."

- Brown's research revealed *12 key categories* of shame: appearance & body image, money & work, family, parenting, fatherhood/motherhood, mental & physical health, addiction, sex, aging, religion, past trauma, and being stereotyped/ labelled.

- *Assess* if the expectations are realistic and aligned with your values. For example, is it realistic to have a best-selling book on your first attempt? Are you really a failure if your book isn't popular? Taking a step back to think about your shame helps you to break the fight-or-flight response.

Get connected. Reach out to someone you trust. Once you feel their empathy and connection, your shame (which is the fear of disconnection) will dissolve.

Share it. Shame cannot survive once it's exposed. Don't be afraid to speak about your fears and ask for support. Research shows that people who suffer past trauma recover much better when they use expressive writing or share their stories with others.

Once, Brown received an angry email from someone whom she'd refused a speaking engagement. Feeling upset, she wrote an email to her husband to vent, but accidentally clicked "send" instead of "forward". She was drowning in shame when the other party replied to point out her lack of wholeheartedness.

- Using the elements above, she said "pain, pain, pain, pain" aloud to acknowledge her feelings, until she felt better.

- Then, she called her husband and best friend, and instantly felt reassured by their empathy and love. She also spoke kindly to herself, the same way she would've comforted someone else.

- When she was feeling calmer, she wrote a reply to apologize to the other party and set boundaries for future communications.

Understanding Gender Differences

While shame affects both genders equally, social-cultural expectations create different shame triggers and responses for men vs women:

KEY QUOTES

"A sense of worthiness inspires us to be vulnerable, share openly, and persevere. Shame keeps us small, resentful, and afraid."

"Empathy is connection; it's a ladder out of the shame hole".

"Shame is universal, but the messages and expectations that drive shame are organized by gender."

Women expect themselves to look naturally beautiful, slim, be good at everything (especially motherhood), and to seem to do it all effortlessly. They feel shame when they're not beautiful enough, can't multi-task well enough, etc. When shamed, women intuitively respond by *criticizing or putting others down*, in an unconscious attempt to draw attention away from their inadequacies.

Men on the other hand, must never be weak – they must control their feelings, earn more, take charge, and succeed in their careers. When they feel shame, men naturally *get angry or shut down.*

Men and women also attach shame differently to **sex and body image.** Women are conscious of their bodies, and interpret men's lack of interest to mean they're not slim, attractive or experienced enough. Men, on the other hand, are more concerned if their partners care about them, and see rejection as a form of masculine shame that they're not wanted, or not good enough.

Shame can tear a relationship apart, and gender differences amplify the strain:

- *Downward spirals*. When women feel invalidated, they start criticizing, which triggers men's feeling of inadequacy. The men get angry or shut down, causing women to provoke them even more ("why won't you talk to me!").

- *Entrenched gender expectations*. Women want their men to open up and let them in. Yet, most women can't really accept vulnerability in their men (who're supposed to be strong). When women react with disappointment or even disgust, it reinforces the men's shame and resolve not to show weakness again.

- *Security breach*. Shame is most painful when it comes from those closest to us. Using a loved one's vulnerability to shame him/her is the most severe breach of trust and can cause permanent scars in the relationship.

Cultivating Whole heartedness

Using the 4 elements of shame resilience, we can build our self-worth and wholeheartedness:

KEY QUOTES

"It's not the lack of professing that gets us in trouble in our relationships; it's failing to practice love that leads to hurt."

Practicing **self-love** is one of the best ways to nurture courage, self-worth, and our ability to love others. When we feel worthy, we're less likely to judge or criticize others.

As you build awareness of societal/ cultural expectations, you can identify shame when it surfaces, evaluate it and make a **conscious decision** not to play the game. For example, you may realize that missing your child's concert for a work trip does not mean you're a bad mother, and you can learn to love yourself and others for who you really are, rather than what society expects of you.

Practice love by trusting and being vulnerable with your loved ones, and supporting them in their vulnerabilities. The next time you see someone struggling with a shameful situation, instead of passing judgement, take the initiative to *extend your empathy* with a smile or understanding look. This small gesture may help them to feel instantly better.

Part 3: Removing the Armour

Everyone struggles with vulnerability (including Brown), and we put on different persona or masks to protect ourselves. Even children put on masks, though these are more fleeting and easier to detect. The school bully could simply be masking his need to belong, while the mean girl could be hiding the pain from her parents' divorce.

Since shame is the feeling of not being enough, simply believing that we're "enough" helps us to remove our masks. In this segment, we'll explain the key types of armour and how to remove them.

3 Common Vulnerability Shields

Foreboding joy is the feeling that your joyful experiences (e.g. getting a promotion, falling in love) are too good to be true. You keep expecting the next disaster to strike and constantly plan for the worst. The solution is to *practice gratitude:* focus on what you're grateful for, including the small, ordinary moments like being healthy, or having your loved ones by your side.

Perfectionism is about trying to be perfect to avoid failure or shame. It's different from a healthy pursuit of excellence, and only brings more shame, as you're never perfect enough. The cure is to *learn to see the beauty of imperfection:* Be kind to

KEY QUOTES

"If we want to fully experience love and belonging, we must believe that we are worthy of love and belonging."

"To love ourselves and support each other in the process of becoming real is perhaps the greatest single act of daring greatly."

"Connection is the energy that is created between people when they feel seen, heard, and valued; when they can give and receive without judgement."

"Masks make us feel safer even when they become suffocating."

"Believing that we're 'enough' is the way out of the armor – it gives us permission to take off the mask."

"When we lose the ability or willingness to be vulnerable, joy becomes something we approach with deep foreboding."

"There's a crack in everything. That's how the light gets in."
- Leonard Cohen

yourself when you fail or suffer (rather than avoid/ condemn it), realize that everyone feels pain and inadequacy, and practice mindfulness to separate your fleeting thoughts and feelings from who you really are.

People also use busy-ness to **numb** themselves. Outwardly, they take pride in being available 24x7 to their clients, never dropping the ball, etc. But, under the busy-ness is a sense of insecurity: women are afraid to say no and not please everyone, while men are afraid they're not "man enough" to handle everything.

- The antidote is to *set boundaries*, e.g. no work calls after 10pm. Cultivate self-worth based on who you are, not what you do. When you stop trying to satisfy everyone, you can focus on the people and things that truly matter.

- Brown's research reveals that a deep sense of connectedness (*or spirituality*) is a core aspect of wholehearted living. This is about the manner and intent in which you go about your daily life, e.g. if you're enjoying your meal or just gulping it down, if you're seeing and connecting with the people you meet (e.g. the cashier, the waiter) or just treating them as objects in the background.

Other Masks and Armours

Other less commonly-used shields include:

Classifying people/things into **win-lose extremes**, e.g. success vs failures, kill or be killed. People with such shields avoid vulnerability, leading to more disconnection. It's especially common in the military, or in people who've suffered trauma (e.g. physical abuse, oppression). The solution is to *redefine success*, and use the 4 shame resilience components to restore one's ability to face vulnerability.

Letting loose, either using vulnerability to *manipulate*/ seek attention, or *releasing* all your vulnerability on someone without deep trust/ connectivity. In such cases, people may withdraw from you to cause even more shame. *Get clear on your intentions*, consider your feelings and desired outcomes, and manage your boundaries and connections accordingly.

"Serpenting", or spending undue amounts of energy to zig-zag around vulnerability, when it's less effortful to face

KEY QUOTES

"We can't selectively numb emotion. Numb the dark and you numb the light."

"Living a connected life ultimately is about… spending less time and energy hustling and winning over people who don't matter, and… cultivating connection with family and close friends."

"It's not what you do; it's why you do it that makes the difference."
-Louden

"When we feel good about the choices we're making and when we're engaging with the world from a place of worthiness rather than scarcity, we feel no need to judge and attack."

it directly. Cultivate awareness, so you can catch and stop yourself from serpenting.

We **judge** others whenever we label them as inferior or dismiss them. Brown made a personal choice to stop worrying about bystanders who judge and complain from the sidelines. Instead, she only pays attention only to people who are *"in the arena"*, i.e. those who're actively working on similar challenges, and people whom she loves and trusts most (and are always fighting by her side in the arena).

Part 4: Closing the Gap

The Disengagement Divide

People desire connection, yet they become disengaged when (a) they feel vulnerable, and/or (b) they feel that the other party isn't fulfilling his/ her role in the social contract. In short, this disengagement divide occurs because of the gap between our *aspired values* (what we *want* to do, think and feel) and our *practiced values* (what we *actually* do, think and feel). For instance, children perceive a gap when their parents preach about honesty and respect, but lie or put each other down.

As humans, we can't avoid such gaps; the key is to become aware of them, and seek to close the gaps. Brown believes that we must concurrently address our *strategy* (our game plan to get from where we are to where we want to be) and *culture* (the norms or ways things are typically done).

Rehumanizing Education and Work

Shame is a major barrier to creativity, innovation and learning in our education institutions and workplace. When shame is prevalent, people dare not speak up, try new things or persevere in face of failure.

Recognizing shame. Finger-pointing, gossiping, harassment and name-calling are all signs of shame in a culture.

- Shame can cause "*creativity scars*"- someone who's told he/ she is a lousy writer or hopeless leader can carry the self-doubts for life.

KEY QUOTES

"I… learned that the people who love me, the people I really depend on, were never the critics who were pointing at me while I stumbled… They were with me in the arena. Fighting for me and with me."

"We need daring strategies to develop daring cultures."

"To reignite creativity, innovation, and learning, leaders must rehumanize education and work."

- *Such practices spread*, e.g. if employees constantly deal with shame at the workplace, they're likely to use similar behaviours with clients, suppliers and family members. It's worse when shame is used as a formal *management or influencing tool*, e.g. public ranking of top vs bottom performers, open criticisms.

Dealing with shame brings uncomfortable, dark issues to the light, and the process is both disruptive and irreversible. That's why Brown calls it "*disruptive engagement*". To build **shame-resilient organizations:**

Support leaders who're willing to dare greatly to facilitate honest conversations about shame. Since shame cannot survive in the open, and courage is contagious, people who're willing step forward to address shame are natural change catalysts. Such leaders can emerge at all levels in an organization.

Cultivate *awareness of shame*, so it can be identified and stopped immediately before it spreads.

"Normalize" shame and discomfort, so people realize such feelings are normal, and are less afraid to discuss their common struggles, coping strategies etc.

Train employees on the differences between shame and guilt, and how to give and receive *constructive feedback*.

- Use *strengths perspective* to facilitate feedback: for every area for improvement, identify 3 strengths that the other person has, to help him/ her make the change.
- Literally and figuratively sit on the *same side of the table* as someone, to focus your feedback on supporting him/her.
- Start by *inviting feedback*, so you learn what it's like to be on the receiving end, and role-play difficult situations.

Wholehearted Parenting

The best foundation we can give our children is a sense of love, belonging and self-worth.

Great parenting isn't about having the best strategies and techniques; it's about being the best-possible **role models**,

KEY QUOTES

"Shame breeds fear. It crushes our tolerance for vulnerability, thereby killing engagement, innovation, creativity, productivity, and trust."

"We all want to dare greatly. If you give us a glimpse into that possibility, we'll hold on to it as our vision. It can't be taken away."

"We can't give people what we don't have. Who we are matters immeasurably more than what we know or who we want to be."

"The simple and honest process of letting people know that discomfort is normal, it's going to happen, why it happens, and why it's important, reduces anxiety, fear, and shame."

"A daring greatly culture is a culture of honest, constructive and engaged feedback."

"If we're not willing to ask for feedback and receive it, we'll never be good at giving it."

given our own imperfections, i.e. being the adults we want our children to be.

Kids often don't feel they **belong** in their own families, as they feel they don't match up to their parents' expectations.

- Be conscious of the *if-when rules* that you're planting, e.g. do your kids feel loved only if they achieve certain grades, financial status, or behaviours? Do you unintentionally demonstrate that others' opinions are more important than what your kids feel?

- For children to feel worthy, they must feel loved just as they are. Let them know that you love them, even if you don't love their choices. *Separate the child from his/ her behaviours*, e.g. telling a lie doesn't make your child a liar, and tripping over something doesn't make him/her a klutz.

Rather than try to protect your children from shame, use such experiences to talk about shame and role-model *shame resilience*. Normalize shame by showing your children that everyone faces similar struggles. Teach your kids the difference between *guilt vs shame* when they're young (4-5 years old), and are still open and receptive.

Other Details in the Book to Look out For

Besides sharing the findings from her research and interviews, Brown re-enacts many of her exchanges with her audiences and interviewees, as well as her personal experiences and vulnerable moments. These help us to understand the often-unspoken vulnerabilities, insecurities and feelings that everyone has in one form or another.

In the book, Brown also includes her complete definitions of many concepts like love, connection, shame, as well as resources, checklists and manifestoes. Some of these resources are also available on her website www.brenebrown.com.

KEY QUOTES

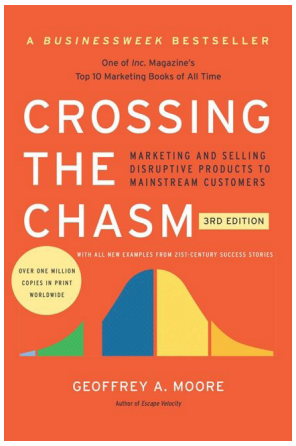
"Who we are and how we engage with the world are much stronger predictors of how our children will do than what we know about parenting."

"If we want our children to love and accept who they are, our job is to love and accept who we are."

"Most of us struggle to feel a sense of belonging – to know that we're a part of something, not despite our vulnerabilities, but because of them."

"Wholehearted parenting is not having it all figured out and passing it down – it's learning and exploring together."

"What we know matters, but who we are matters more.



CROSSING THE CHASM

Marketing and Selling Disruptive Products to Mainstream Customers

GEOFFREY MOORE

The Big "So What"

Launching a high-tech product can be extremely challenging, and failure comes with the loss of significant time and resources. This book provides proven frameworks and strategies to successfully bring new, cutting-edge products to market, with decision-making guidelines for investors, engineers, marketers and managers in the high-tech community.

Introduction

A disruptive or discontinuous innovation is one that requires people to change their existing behaviors, whereas a sustaining or continuous innovation involves a upgrade of existing products. A bigger or higher-resolution TV screen is a continuous innovation while a 3D-TV (which requires special viewing glasses) is a discontinuous innovation.

Every industry will face disruptive changes at some point, though high-tech industries experience them on a regular basis. Hence, it's crucial to have a systematic approach to market new high-tech products.

Companies are especially vulnerable when they're trying to cross the chasm between the small minority of early customers and the large majority of mainstream customers. In this summary, we'll introduce the chasm and the challenges it presents, before explaining how you can successfully cross it to achieve growth and profits.

KEY QUOTES

"The point of greatest peril in the development of a hightech market lies in making the transition from an early market dominated... to a mainstream market."

Understanding the Chasm

High-Tech Adoption and Marketing

The Technology Adoption Life Cycle explains how new products are accepted. Generally, technology adoption follows a bell curve, with 5 distinct consumer groups differentiated by their psychographic profiles and attitudes to new technology:

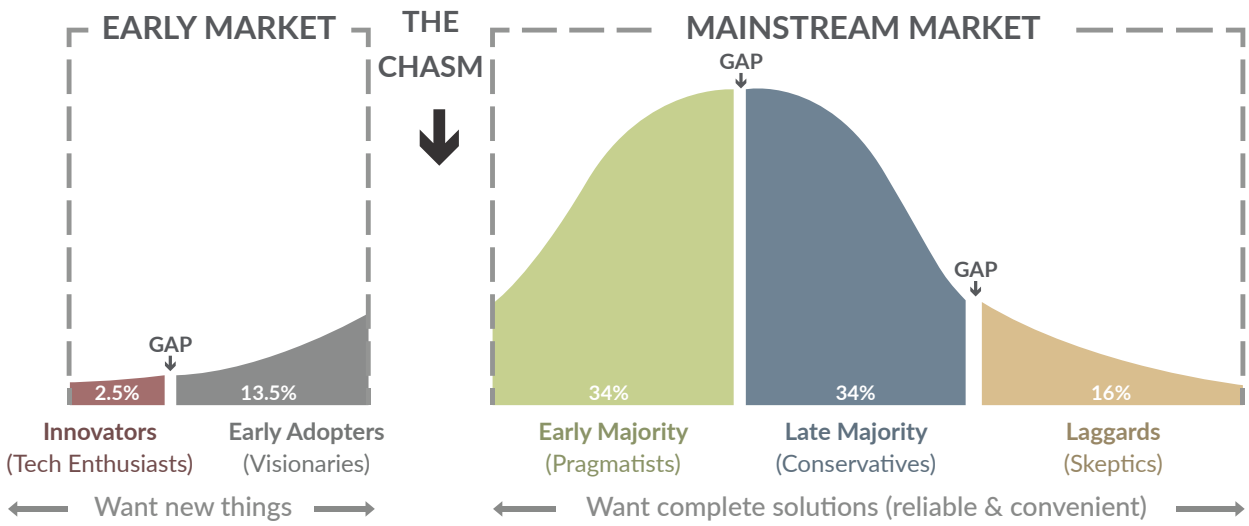
- *Innovators (tech enthusiasts)* are passionate about new technology. They actively pursue and explore the latest technology to learn about them.

- *Early adopters (visionaries)* embrace new technologies as a means to achieve a broader vision. They're good at explaining the potential benefits to others. John F. Kennedy championed the launch of the U.S. space program, while Henry Ford championed the mass-production of automobiles.

- *The early majority (pragmatists)* are more cautious and realistic. They're only willing to adopt technology that's proven and convenient.

- *The late majority (conservatives)* are uncomfortable with new technology. They'll adopt it only when most people are already using it, just so they won't get left behind.

- *Laggards (skeptics)* don't want to be associated with new technology *at all* and may only use it only unknowingly.



KEY QUOTES

"Crossing this chasm…is how high-tech fortunes are made; failure in the attempt is how they are lost."

The High-Tech Marketing Model is about developing the market by sequentially addressing the 5 groups above from left to right. It has been widely applied by many companies from Microsoft to Cisco, Dell, Google, HP and Oracle.

- This model works because *each group paves the way for the next group*, e.g. innovators' endorsement helps to win over the early adopters, who then pave the way for the early majority and late majority. The Apple iPad was demo-ed to techies at MacWorld before its launch in 2009. Visionary executives started to use them, gradually influencing other members of their organizations. As the number of apps and users increased, even kids and grandparents started to use the iPad. Within 5 years, iPads had become a part of people's everyday lives.

- However, each of the 5 groups have different buying objective and expectations, so what appeals to 1 group can alienate another. Such *gaps between the groups* can break your marketing momentum. Specifically:

  (i) There are cracks (a) between the enthusiasts and visionaries, and (b) between the pragmatists and conservatives; and

  (ii) There's a chasm between visionaries and pragmatists due to their conflicting goals. Visionaries want major changes to leapfrog their competitors, whereas pragmatists want to improve existing operations with minimal disruption.

Marketing to Early vs Mainstream Markets

Marketing is not about creating an illusion or hype. It's about taking **concrete actions** to define, grow, maintain and defend your target markets. You must define the target segment for each set of products/services. Within each segment, customers must (i) share the same needs/wants and (ii) act as references for each other in their purchasing decisions. If 2 customers can't be cross-referenced, then they are *not* in the same market, e.g. a doctor won't buy an oscilloscope after hearing how an engineer uses it for his tech research.

KEY QUOTES

"Marketing's purpose…is to develop and shape something that is real, and not…to create illusions."

"No meaningful marketing program can be implemented across a set of customers who do not reference each other."

To succeed in early markets, you need a breakthrough technology product that (i) can appeal to the technology enthusiast *and* (ii) can offer a new/compelling application for the visionary.

- *Tech enthusiasts* are easy to serve if you have a truly new/great technology and don't need to make much money from them.

	Innovators / Tech Enthusiasts
Profile	• Have the passion and mandate to explore new tech • Willing to invest time/energy to get new tech to work. • Willing to tolerate bugs, slow speed & missing functions
Meet their needs	• Let them be the first to try new stuff with no/low costs • Give honest answers to their technical questions • Invite and adopt their inputs
To reach them	• Direct email or advertisements via targeted channels • Offer free info/demos; provide novel & factual info (not marketing hype)
Vital because	• A valuable sounding board to help you refine your product • Gatekeepers/access to key decision-makers

- *Visionaries* are hard to please, but can give you the big break you need in terms of revenues and visibility.

	Early Adopters / Visionaries
Profile	• Willing to take risks and make huge investments in new technology to realize an ambitious dream/vision • Seek major breakthroughs (not minor improvements)
Meet their needs	• Focus on the strategic leap made possible by your tech • Break down ambitious goals into smaller projects • Use concrete milestones to show progress/results
To reach them	• Nurture the right relationships and they will find you (not vice versa)
Vital because	• Opportunity for publicity and high-profile references • Each feature developed can be used as a product extension for another company

- *Tips and pitfalls to avoid* in early markets:

  (i) Bridge the crack between the tech enthusiast and visionary: articulate how the Returns on Investment (ROI) on your technology can justify the risks.

KEY QUOTES

"Enthusiasts are like kindling: They help start the fire."

"In business, technology enthusiasts are the gatekeepers for any new technology."

"Visionaries are the ones who give high-tech companies their first big break. It is hard to plan for them in marketing programs, but it is even harder to plan without them."

"Understand their dream, and you will understand how to market to them."

"If it is not, in fact, a breakthrough product, then it is never going to create an early market."

(ii) Don't sell to the visionary before your product is ready, since they're impatient for results.

(iii) Don't be overly-ambitious: select a market that matches your size/resources. It's better to focus on a simpler problem you can solve than to have an unhappy customer.

Real growth and profits come from the **mainstream markets** since the early and late majority jointly make up 2/3^{rds} of the entire market. Enter the market with the pragmatists, sustain your leadership position, then move on to the conservatives.

- *Pragmatists* prefer established/proven solutions, so it's hard for new players to win their business. But once you get in, it's much easier to grow your volume and improve your price/support to get even more sales.

	Early Majority / Pragmatists
Profile	• Seek predictable, incremental progress • Prefer proven approaches and standards
Meet their needs	• Prefer market leaders with a proven track record + can offer reliability, quality and strong support. • Want at least some competition to get the best price & options. Willing to pay a small premium for quality.
To reach them	• Make sure they hear about you from various industry & media sources, get good testimonials from relevant companies and partner with their trusted vendors.
Vital because	• A source of valuable references • Loyal support & repeat business once you win their trust

- *Conservatives* are highly risk-averse and are afraid of high-tech stuff. They prefer status quo and will invest only in mature, commoditized products with low prices.

	Late Majority / Conservatives
Profile	• Risk-averse and price-sensitive • Prefer mature products that're convenient and risk-free
Meet their needs	• Offer standard, heavily-discount bundles for 1 specific need • Include only features that're familiar to them and convenient to use. Remove extra or fancy features.

KEY QUOTES

"If the goal of visionaries is to take a quantum leap forward, the goal of pragmatists is to make a percentage improvement—incremental, measurable, predictable progress."

"The key is to focus on convenience rather than performance, user experience rather than feature sets."

To reach them	• Use low-cost distribution channels e.g. "as-a-service" product via the internet
Vital because	• Provide low margins but high volumes • Ideal for older tech elements that can be sold at low cost

- *Tip*: Once you've penetrated the mainstream market, stay ahead of your competitors via incremental product innovations or upgrades. Focus on building predictability, service and stability.

- *Laggards* make up about 1/6th of the curve: they won't buy high-tech products and may even block them. Instead of ignoring them, address their concerns—that new technologies are risky and unproven—so they can't block the sales.

Crossing the Chasm

Companies are especially vulnerable during the chasm period:

- At this point, the early market is still digesting the new technology and the mainstream market is still not yet ready for it. Many companies make the fatal mistake of *trying to expand rapidly* during the chasm instead of conserving their resources. They try to push pricey and buggy products to mainstream customers (who want cheap and bug-free products), and they continue to invest in high-tech R&D (when mainstream customers want proven, stable solutions).

- It's also hard to enter a mainstream market since the established incumbents will try to block you. Don't make the mistake of getting *distracted by the diverse opportunities* and spreading your resources too thinly.

- The key to successfully crossing the chasm is to start by *focusing singularly on 1 strategic market niche*. Quickly establish a solid base (with references, procedures, marketing materials) and use it to spread to adjacent markets. We'll now zoom in on the 4 steps to enter and conquer a mainstream market.

KEY QUOTES

"We need to pick our spots carefully, attack fiercely, and then dig in and hold."

1. Define your Focused Point of Attack

This step is about identifying a "beachhead segment" that you'd use to cross the chasm into the mainstream market. Your goal is to hit the strategic bowling pin that'll knock down the remaining pins.

In theory, target marketing is simple: you break down the market into possible sub-segments and select the most attractive segment. In reality, people get stuck in **decision-paralysis** in face of high-stakes decisions with limited information.

Do enough analysis to identify key customer archetypes, e.g. "Gen Y" or "Dinks" (double income, no kids). Then, use scenarios to flesh out your **target customer characterization**:

- Craft *1-page scenarios* to summarize each customer type, including his personal profile and how exactly he'd use your product. Invite people from different departments to contribute. Include the following in each scenario:

  (i) *Header information* with a description of the (a) end user, (b) technical buyer (who gives advice or installs the product) and (c) economic buyer (who pays for the product). For business clients, include the industry, geography, department and job title. For consumer clients, include the age, gender, economic status and social group.

  (ii) *Before your solution*: Describe the scene where the user is stuck, including (a) the moment of frustration, (b) the desired outcome, (c) the attempted approach, (d) the obstacles, and (e) the economic consequences.

  (iii) *After your solution*: Replay the scene with your product, including (a) the new approach, (b) how it helps them to get unstuck and (c) the economic rewards.

- Once you have a library of 1-page profiles, get a small committee to evaluate each option using the *Market Development Strategy Checklist*. Rate these factors (on a scale of 1-5) in 2 stages:

KEY QUOTES

"Trying to cross the chasm without taking a niche market approach is like trying to light a fire without kindling."

(i) *Show-stoppers*. Only consider profiles that score high on all 4 factors.

Target customer	Is there a single, identifiable economic buyer for this offer, whom we can readily access and can afford the price for the whole product?
Compelling reason to buy	Are the economic reasons strong enough for the buyer to want to fix the problem urgently?
Whole products	Can our company (with the help of partners/allies) provide a complete solution in the next 3 mths to satisfy the compelling reason to buy, and dominate the market (>50%) in another 12 mths?
Competition	Has another company already crossed the chasm, addressed this problem and occupies the space?

(ii) *Nice-to-haves*. Add the scores for 5 more items:

Partners and allies	Do we have existing relationships with other companies needed to fulfill the whole product?
Distribution	Do we have an existing sales channel to reach the target customer and fulfill the whole product requirements?
Pricing	Is the whole product pricing within the target customer's budget and does it justify the value from solving the problem? Can all partners get adequately compensated?
Positioning	Is our company credible for this product and segment?
Next target customer	If we dominate this niche, can it create a "bowling pin effect" to help us enter adjacent niches?

- Shortlist the top options. As a team, select just *1 segment that you'll commit to*. This must be (a) large enough to matter, (b) small enough for you to win, and (c) can fit your strengths.

  (i) Speed matters. You can commission market research to validate your biggest assumptions, but there's no need for perfect information. You can still succeed even if you didn't pick the optimal choice.

  (ii) To become a leader, you must win >50% of the chosen niche within the 1st year, while you concurrently build new segments. Find a segment that matches your size/goal.

  (iii) If none of your scenarios survive the evaluation, then you're *not* ready to cross the chasm. Stick to early-market projects and keep costs low while you search for a viable beachhead.

KEY QUOTES

"The good news in this is that you do not have to pick the optimal beachhead to be successful. What you must do is win the beachhead you have picked."

"The rules of thumb in crossing the chasm are simple: Big enough to matter, small enough to lead, good fit with your crown jewels."

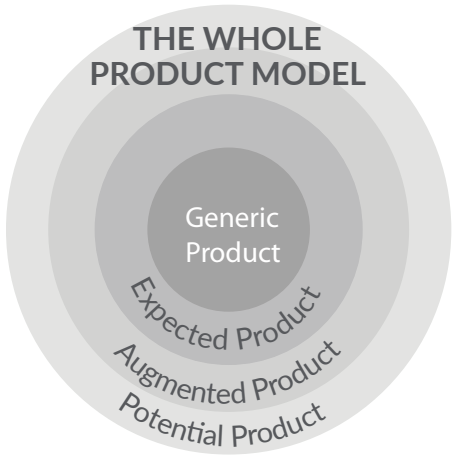
- In the 1980s, *Macintosh* successfully crossed the chasm by targeting graphic art departments of Fortune 500 companies. By dominating that segment, they could use it as a beachhead to win over other executives in those companies (for whom the graphic artists provided presentations for), as well as the creative agencies and professionals who worked with the graphic artists.

2. Set Up your Strike Force

Define the specific product/offer you'll need to secure your initial target market, and how you'll deliver it with available resources.

Now that you've identified a target market with a compelling reason to buy your product, you must position yourself as the irrefutable choice. To do that, you must deliver a **Whole Product** (a concept by Theodore Levitt) which comprises 4 parts:

- *Generic product* = what's in the purchasing contract (e.g. a tablet with cables).



- *Expected product* = what the consumer thinks he's buying, including the configuration needed to achieve the buying goal (e.g. internet connection needed to use the tablet).

- *Augmented product* = product extensions that'll maximum the chance of fulfilling the buying goal (e.g. basic software like email, browser, calendar, app store etc.).

- *Potential product* = future product improvements (e.g. ancillary products or system enhancements).

Customers in the early market focus mainly on the generic product, but the focus shifts outward (toward support and ancillary services) in the mainstream market. To achieve market leadership, you must deliver the whole product. Start

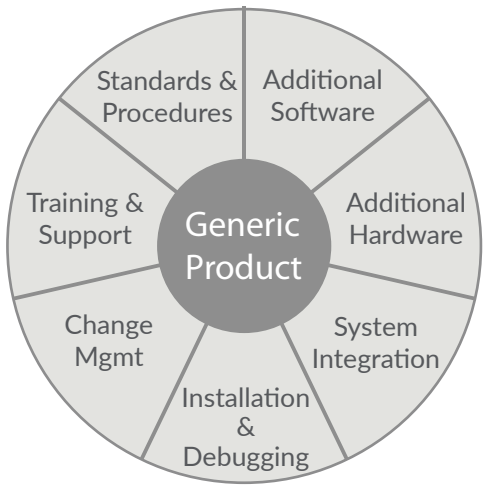
KEY QUOTES

with the **minimum level** of the whole product you'll need to cross the chasm, i.e. what the target customers need to satisfy their compelling reason to buy.

- Use the model on the right to identify *generic product vs other components* needed to satisfy the buying objective.

- Define which ones will be provided by your company (vs the customers, partners or allies), and ensure all vendors have a *fair share of the pie*. Invest time/resources to build those relationships.

SIMPLIFIED WHOLE PRODUCT MODEL



- *Example*: Imagine you're replacing an incumbent in providing enterprise wifi for a university. To overcome the inertia to change, your solution must be at least 10x better than the incumbents'. Besides offering the core/ generic product (wifi access points throughout the campus and systems for central/network management), you may also provide additional elements such as: (i) building interfaces with old equipment so they can still be used, (ii) partnering with existing campus vendors for a seamless transition, and (iii) customization for other campus initiatives. The additional elements are not strictly required under the contract and will require a lot of extra effort/resources. Yet, they'll help to satisfy the client to win their loyalty and build positive referrals.

3. Define the Battle

To dominate the mainstream market, you must know the landscape, who your competitors are, their relationships with your target customers and how to position yourself to win the battle.

Know your target customers' top values and concerns. There're 4 domains involved in marketing any high-tech product: **technology product, market and company**.

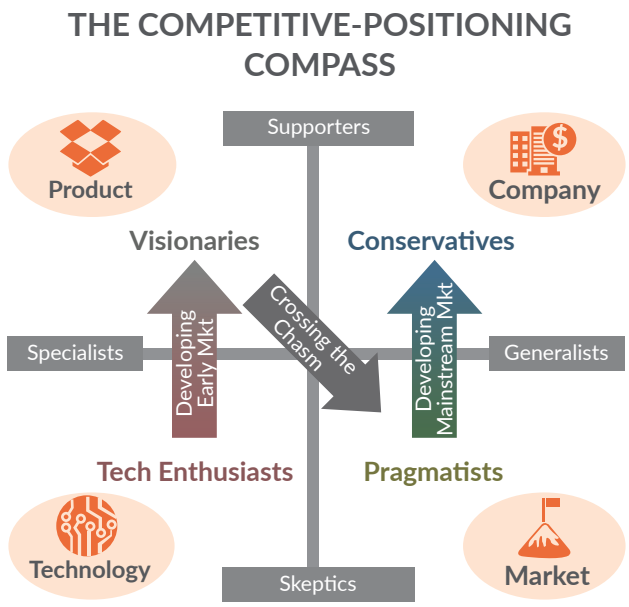
KEY QUOTES

"Winning the whole product battle means winning the war."

"The fundamental rule of engagement is that any force can defeat any other force— if it can define the battle."

The Competitive Positioning Compass maps out how the 4 factors shift in relative importance as you move down the tech adoption curve:

- *Interest & technical know-how*. Early markets are driven by specialists who care more about technology and product issues. Mainstream markets are driven by generalists who care more about market leadership and company stability. To cross the chasm, you must shift your focus accordingly.



- *Attitude*. When people are skeptical, they won't be interested in your product/company. Even if you've already won the support of the visionaries, you must still win over the skeptical pragmatists from scratch.

To win the pragmatists' support, you must effectively position your company/product in their minds. **Positioning** is about firmly associating certain attributes with your product/company, so people will think of you as the incontestable choice in a specific situation. Your unique value proposition must match your target customers, their compelling reason to buy and your product offering.

- It's much easier to *fit into people's existing way of thinking* than to change them. Pragmatists evaluate options by comparing similar vendors/products in a category. So, you must position your product in a category that the pragmatists are familiar with and have other reasonable choices to choose from. Then, position yourself such that you're the obvious, inevitable choice.

- If there's no direct competition, you must *create competition*. Help the customers to understand your value proposition with 2 sets of competitive comparisons:

KEY QUOTES

"Crossing the chasm requires moving from an environment of support among the visionaries back into one of skepticism among the pragmatists."

"The goal of positioning is to create and occupy a space inside the target customers' head."

"In general, the most effective positioning strategies are the ones that demand the least amount of change."

"The pragmatists are loath to buy until they can compare. Competition, therefore, becomes a fundamental condition for purchase."

(i) *Market alternatives* or existing vendors that the target customer has been buying from. Show that you can solve a major limitation in their offer.

(ii) *Product alternatives* or other tech leaders using a similar disruptive innovation as yours. Refer to their technology to gain credibility but differentiate yourself with a segment-specific focus.

For example, Box explains their value proposition as: "Dropbox's ease of use meets SharePoint's enterprise standards."

- *Build credibility* in pragmatists' eyes by presenting evidence of strong partners/allies (e.g. joint-marketing or cross-referencing), market share, certifications, press coverage etc.

- You can only own a tiny space in people's minds, so it's crucial to keep your message focused and memorable, to achieve effective word of mouth. *Communicate your position in 4 steps*:

(i) State your *claim* as the indisputable market leader for a specific segment. Condense it into 2 sentences: "For [beachhead target customers] who are [dissatisfied with market alternative], our product is a [product category] that provides [compelling reason to buy]. Unlike [product alternative], we have assembled [whole product features]."

(ii) Present the *evidence* to support your claim;

(iii) *Communicate* the right message to the right audience; and

(iv) Dynamically *refine* your message based on how competitors respond.

4. Launch your Invasion

Your #1 priority when crossing the chasm is to secure a distribution channel to your target market. To achieve that, you need the right pricing and distribution strategies.

KEY QUOTES

"Evaluations are often simply rationalizations of preestablished positioning."

"As we launch our invasion across the chasm, distribution is the vehicle that will carry us on our mission, and pricing is its fuel."

Customer-Oriented Distribution. There're 5 main customers types, each with their own priorities and preferred channels. Choose 1 main channel that matches your target segment:

CUSTOMER TYPE	PREFERRED CHANNEL
Enterprise executives (huge purchases for organization-wide systems)	**Direct sales**: use a consultative approach and tailor the solution to the client's needs. Use relationship marketing to build personal connections with key leaders, before shifting to solution-selling once instructions are given to explore your product.
End users (relatively low-cost purchases for personal or local workgroups)	**Web-based self-service**: let users find information on the internet and sign up for a free trial before making a purchase. You can also offer a freemium model (where the core technology is provided for free with value-added upsells), or use e-commerce transactions.
Department heads (medium purchases for organizations that need IT systems but lack the budget/ inhouse support)	**Sales 2.0**: Provide direct sales and support over digital media. Provide info on the internet, but have a human salesperson get in touch (via voice call, chat or email) when the client clicks on a link for support. Depending on the interest level, the client may then get directed to website info, a webinar or live demo.
Engineers (decide on technical options on behalf of internal clients)	**Two-Tier Distribution**: Use the internet to provide data, then have a human contact take them through the options until they're ready to connect you with the purchasing departments.
Small business owners/operators (small purchases that deliver high-value)	**Value-added resellers**: Use agents (usually sole proprietors) who'll act as low-cost advisers to help the SME owners navigate complex tech requirements and find cheap solutions.

Distribution-Oriented Pricing. Your prices must be low enough to sell yet high enough to be worth selling. Initially, set your pricing at the level of the market leader, so you can (i) reinforce your positioning and (ii) have a large-enough margin to reward your channel partners. Prices will gradually decrease as your product becomes established in the mainstream market and new competition emerges.

Crossing the Chasm Permanently

In the rush to cross the chasm, companies often make unsustainable commitments. Make the right decisions from the onset so you won't fall back into the chasm.

Financial decisions. It is a misconception that high-tech revenues start out flat then curve up sharply like a hockey

KEY QUOTES

stick. In reality, revenues grow like a staircase, with spurts of growth that flatten out each time you enter a new segment.

- *Investors* should be prepared to sustain the investments for as long as needed to cross the chasm and create a sustainable whole product. Don't just ask for broad business plans—ask to see the detailed battle plans for crossing the chasm.

- So long as the *entrepreneurial team* depends on investors for cash, they can't control their destiny. The faster you gain financial discipline, achieve profitability and break-even cash flow, the better. When people's salaries come from the market (not investors), they'll also focus more on market needs.

Organizational decisions. To win in early markets, you need pioneers to drive innovations and push new boundaries. However, once you've crossed the chasm, you must reassign the pioneers to new projects and bring in settlers to stabilize and institutionalize your processes/standards for mainstream markets.

- Introduce *2 temporary roles* to help with the transition.

  (i) Once you've secured a visionary account, assign a *target market segment manager* as the account manager. His role is to (a) learn how the business works, (b) manage the project and (c) work with whole product manager to identify essential whole-product components. Once he has completed the 1st phase of the visionary's project, hand the account over to a settler so he can focus on transforming the insights from the visionary client into a potential beachhead segment.

  (ii) During the chasm period, you must prepare for marketing (even if you don't start marketing yet). Hire a *whole product manager* to take stock of the growing list of bugs and unresolved issues. Once you cross the chasm, make sure R&D focuses on addressing these issues, to deliver a whole product aligned with your mainstream customers, pricing, and distribution channels.

KEY QUOTES

"Until break-even cash flow is achieved, nothing is secure, and your destiny is not under your own control."

"To leave the chasm behind, to cross it and not fall back into it, involves…the move from being pioneers to becoming settlers."

"Whole product R&D is driven not by the laboratory but by the marketplace."

- *Compensation*. To succeed in mainstream markets, you need much more than an initial product or a few visionary accounts. Don't overcompensate pioneers for early market successes; retain resources so you can reward people who help you to cross the chasm (and stay with you).

Other Details in the Book to Look out For

This is a guide-book for marketing high-tech products, packed with detailed concepts, frameworks and case-studies. Besides the insights and examples in this summary, the book also includes:

- Examples of high-tech products in various industries, e.g. Documentum, Salesforce.com, Vmware, Aruba and Lithium;
- Additional principles/insights on positioning, publicity and partnerships; and
- Two appendices that outline (i) the High-Tech Market Development model from the book "Inside the Tonado" and (ii) the Four Gears Model for Digital Consumer Adoption to scale up online adoption.

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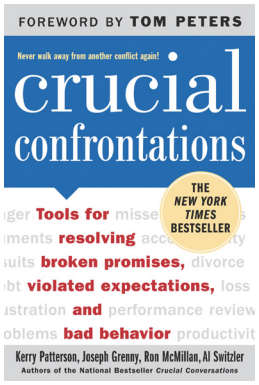


CRUCIAL CONFRONTATIONS

Tools for Resolving Broken Promises, Violated Expectations, and Bad Behavior

KERRY PATTERSON, JOSEPH GRENNY, RON MCMILLAN, AL SWITZLER

The Big "So What"

How should you confront an employee who's chronically late, a CFO who's suspected of embezzling company funds, or a daughter who lies about her late nights with her "gangster boyfriend"? Failed promises, missed expectations and poor behaviors can create feelings of disappointment that compound into chronic problems for families, teams and organizations. This book equips you with the skills to confront disappointing performance and behaviors, so you can solve problems, improve accountability, and strengthen relationships.

Introduction

Crucial confrontations are face-to-face interactions that hold someone accountable, in a way that solve problems and strengthen relationships. Similar to crucial conversations—which the authors address in a previous book—crucial confrontations involve high stakes and strong emotions. However, crucial conversations are about disagreements, while crucial confrontations are about disappointments, which arise when people don't do what you believe they should be doing; these involve broken promises/rules, missed expectations or bad behaviors.

Most people fear and avoid confrontation. They can't find the words, try to change the subject, drop hints, or get harsh. Crucial confrontations cannot be handled through systems or policies; they can only be addressed by people, face-to-face. Fortunately, such skills can be learned.

KEY QUOTES

"Confrontations are the prickly, complicated, and often frightening performance discussions that keep you up nights."

"To confront means to hold someone accountable, face to face."

"Learn how to have crucial confrontations and you'll never have to walk away from another conflict again."

The authors studied more than 25,000 people across many institutions for 2 decades, shadowing opinion leaders and influencers for over 10,000 hours, to identify what made them effective. The authors found that most organizations are losing 20-80% of their potential results due to their inadequacies in handling crucial confrontations. By improving relevant skills, companies have seen improved accountability and morale, to improve productivity by as much as 40%, reduce costs by 50% and improve employee satisfaction by 20%.

In this summary, we'll outline the key principles and skills for handling crucial confrontations, in 3 parts: before, during and after a confrontation.

Before the Confrontation: Work on Me First

The success (or failure) of crucial confrontations depend on how and what we communicate. Before entering a confrontation, we need to establish *what* we are confronting, *if* we wish to confront it, and to ensure we approach it with the right *frame of mind*.

Identify "What" to Confront

Most crucial topics are actually a complex bundle of sub-issues. A key challenge is to dissect the problem you're trying to address. You know you're tackling the wrong issue if (a) you find yourself revisiting the same issue constantly, and (b) getting increasingly upset by it.

- Let's imagine you have a family friend, Mary, who has been working for you for 10 years, and regularly comes in late for work. Each time you discuss the issue, she'd improve for a day or two, then slip back to being late again. What's the *real* issue that you wish to confront? Is it about the principle of punctuality, the impact on her work, the example it's setting for other staff, her failure to keep her promises, or the feeling that she's exploiting your goodwill and friendship?

- If you confront someone without unbundling the problem, you'll probably end being rash and emotional, tackle the wrong issue (or try to tackle too many issues), and sound incoherent.

KEY QUOTES

"Policies, systems programs—any method for encouraging change—will never function fully until people know how to talk to one another about deviations and disappointments."

"Crucial confrontations live and die on the words people choose and the way people deliver them."

"If you can't reduce a violation to a clear sentence before you talk, the issue almost never becomes more understandable and focused as a conversation unfolds."

To decide what you want to confront, break it down in 3 parts:

Use the **"CPR approach"** to consider which problem level to address:

- *Content*: Talk about something that just happened.
- *Pattern*: Talk about what has been happening over time.
- *Relationship*: Talk about what's happening to your relationship, such as a loss of trust or respect.

Unbundle and expand the list of issues, by analyzing:

- The *consequences* of the problem to you, to the relationship, to the task(s), and other stakeholders.
- Your *intentions* and assumptions of the other person's intentions. Remember that your suspicions have not been verified.

Prioritize what's the most important, by asking *what you want and don't want* for (a) yourself, (b) the other person and (c) the relationship.

Decide "If" you should Confront it

Once you've identified the core issue, you need to decide whether to confront it, or just let it go. Sometimes, there's a clearly broken promise, e.g. a work deadline is missed, or your spouse promised but forgot an anniversary gift. At other times, the breach of expectations may be more ambiguous.

Generally, there are **4 signs that you should be speaking up**:

When *your negative feelings are showing* despite your silence, e.g. you find yourself making snide remarks, feeling tensed and angry, dropping hints about the issue, etc.

When *your conscience is nagging at you*, despite your best efforts to fit in or accept the situation.

KEY QUOTES

"Take the internal prodding as a sign that your silence isn't warranted."

When you're *trying very hard to justify your inaction*, by playing down the consequences of staying silent, and exaggerating the dangers of speaking up.

When you're thinking that you're *helpless and can't make a difference*. Even if you currently lack the skills to effectively confront the problem, you can take action to improve your skills.

However, there are times when you may wish to **hold back from speaking up**, e.g. if your stand is clearly not supported by society, and/or you're unprepared. However, if you're committed to confront the issue—e.g. you decide to uphold or introduce a standard that no one else cares about—then:

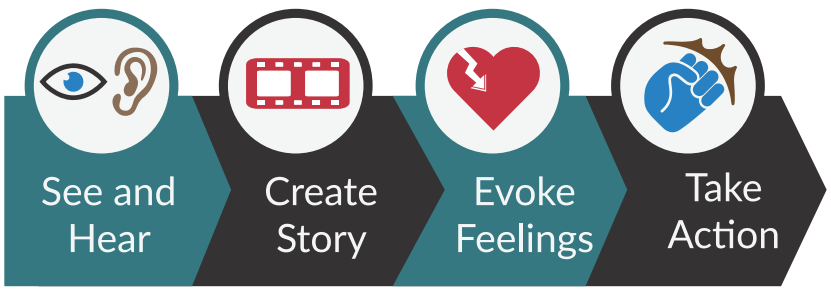
Differentiate yourself and give advanced warning of your expectations, so people have the chance to adjust; and

Establish your standards *without being self-righteous*.

Master Your Stories (Sort out your Headspace)

The first few seconds of a crucial confrontation can shape the tone of the conversation and outcome. We tend to assume the worst, then act in ways that confirm our assumptions. When someone breaks a promise, we often jump to conclusions and assume he/she is guilty. This sets the climate for the conversation before it even begins.

The **Path to Action** explains how our minds move rapidly from observation to action: We see/hear what others do, tell ourselves a story about *why* they do it, which triggers certain feelings and actions.



Studies have shown that humans are prone to the **Fundamental Attribution Error**: we tend to attribute others' behaviors to internal factors like their personality/disposition

KEY QUOTES

"Don't confuse the question of whether the confrontation will be difficult with the question of whether you should deal with it."

"There are times when it's better not to bring up a problem or at least not to do so until you've done some preparatory work."

(e.g. “he’s lazy”, “she’s creative”), and neglect the influence of external situational factors.

Silence and violence. Most people react to disappointments by clamming up initially. Over time, the problem builds up, and the person eventually snaps and resorts to “violence”, in the form of threats, stares, insults, ultimatums etc. Once you switch from silence to violence, you compromise your professionalism and effectiveness, lose goodwill and credibility.

To stop the anger and hostility, you must view others as humans and not villains. Learn to **tell the rest of the story.**

- Ask a *humanizing question* like: “Why would a good, reasonable person do something like this?”

- Expand your view of the situation by using the *six-cell model*, to consider 6 sources of influence behind someone’s behavior:

LEVEL OF INFLUENCE	MOTIVATION	ABILITY
SELF (the person involved)	**1) Pain & Pleasure** What are the person’s possible motives?	**2) Strenghts & Weaknesses** Does the person have the skills to do what’s required?
OTHERS (including you)	**3) Praise & Pressure** What are the influences by peers, family, etc.?	**4) Help & Hindrance** How do others enabled or disabled this person?
THINGS (reward,data tools etc.)	**5) Carrots & Sticks** What are the rewards or deterrents at play?	**6) Bridges & Barriers** What things can enable or disable this person?

Consider *3 levels of influence (self, others, things)* and how they affect whether the person is *motivated* and *able* to take a certain action. This helps us to expand our range of possible stories, and replace our anger with curiosity.

1. *Pain & Pleasure*. What are the person’s possible motives? Is he/she gaining certain pleasure or avoiding certain pain?

2. *Strengths & Weaknesses*. Does the person have the skills to do what’s required? Is this playing to his/her strength or weakness?

3. *Praise & Pressure*. What are the influences and pressures exerted by other people, e.g. colleagues, friends etc.?

KEY QUOTES

4. *Help & Hindrance*. How is this person enabled or disabled by others around him/her?

5. *Carrots & Sticks*. What are the financial rewards or risks, potential promotions or punishments at work?

6. *Bridges & Barriers*. How is this person's ability to deliver affected by technology, gadgets, data etc.?

During the Confrontation: Confront with Safety

Once you're clear on the issue that you wish to confront, and are looking at the other person objectively, you're ready to begin. Start by *describing the gap*, focus on keeping it *safe*, and making it *motivating and easy* for the person to commit to being accountable.

Describe the Gap

A gap, in the context of this book, refers to a major infraction, or the difference between what's expected and what actually happened It's important to create a safe space for the conversation, before addressing the gap and trying to secure an agreement.

Start with Safety. When someone feels threatened, they move into silence or violence, and the conversation breaks down. Maintain a safe space, and watch for signs that the person is feeling worried or fearful. There are 2 core ingredients:

- *Mutual Purpose*: Your goal is to set a constructive mood and prevent misunderstandings. Start by stating your *intention*, focusing on what's important to both of you (not just you). To avoid misunderstanding, use "*contrasting*"—think of the worst assumption the other person may have, pre-empt it by stating that's not your intent, then explain what your true intent is.

- *Mutual Respect*: You need to sincerely respect the other party, and convey it through your tone of voice, facial expressions etc. Ask for *permission* before you address the sensitive issue, and always speak in *private* (rather than make it a public attack).

KEY QUOTES

"When we say gap, we mean… something that might be hard or even risky to discuss."

"If you can create safety, you can talk with almost anyone about almost anything— even about failed promises."

- Here's an *example* of a safe opening: [State mutual purpose & seek permission] "I'm concerned about the amount of time that all of us are spending in meetings. If you're ok, I'd like to share some ideas that could make our meetings more productive. [Add contrasting] I'm not unhappy with our team or with you. I enjoy working with you. I just want to explore ways for to make our meetings more productive. Can we talk about this?"

Address the Gap/Share your Path. Once the other party feels safe, we can move on to the gap.

- *Start with facts* to describe the *gap* as clearly and concisely as possible—what happened vs what was expected, e.g. "You promised to be home by 9pm, but you came back at 11pm". Focus on *what* was seen/heard rather than inferences on *why* it happened, e.g. "You shouted at Jay and called him a moron" is more factual than "You were trying to embarrass Jay."

- After establishing the facts, *tentatively share your story*, using tentative words like "I was wondering if…", rather than absolute words like "it was clear that…".

- *End with a question* like "Can we talk about this?" or "What happened?". Invite the other person to share, and be ready to listen sincerely with an open mind.

As the person explains, listen carefully for the 6 sources of influence, so you can identify the best course of action.

Motivate Others to Want to Take Action

You don't need charisma, power and perks to motivate someone; in fact, these are ineffective in the long-run. Instead, motivation is all about consequences—human beings make decisions by anticipating the possible outcomes from our behaviors, then choosing the behavior that will deliver the best possible bundle of results.

Make consequences visible. All behaviors come with natural consequences, e.g. if you don't manage your diabetes, you risk amputation. Make the invisible visible, using 6 key methods:

KEY QUOTES

"As a general rule, when you are sharing your path, it's best to start with the facts: what you saw and heard."

"Contrary to popular myth, you don't have to wield power or provoke fear to be an effective motivator."

"Motivation is about expectations, information, and communication."

	Motivation	6 Ways to Motivate Action
Self	Pain & Pleasure	• Link to existing values • Connect short-term benefits to long-term pain
Others	Praise & Pressure	• Hold up a mirror • Introduce the hidden victims
Things	Carrots & Sticks	• Focus on long-term benefits • Connect to existing carrots & sticks

- *Link to existing values*. Link the consequences to the person's core values, e.g. "If you don't take care of your diabetes, our children won't get to enjoy the time with their mum."

- *Connect short-term benefits to long-term pain*, e.g. "If you continue to smoke, it will affect your health and stamina, and you won't have a chance to be on the national team."

- *Focus on long-term benefits*, to shift the focus away from short-term challenges.

- *Introduce the hidden victims*, to show the unintended/unseen impact on others.

- *Hold up a mirror*, to show how the actions are seen by others.

- *Connect to existing carrots & sticks*. Link the results of fulfilling expectations with desired rewards.

Tailor your approach to the situation, e.g. is the person simply unaware of the consequences, unmotivated by them, or resistant to what must be done?

- It's not always easy to diagnose the underlying reasons for the gaps. The situation may be ambiguous, complicated, or people may hide their true reasons (e.g. refuse to admit that they don't know something). You may also have differing priorities, or the person genuinely may not want to do what you're asking. *Joint exploration* improves the chances of identifying the cause(s), and it takes patience and skill to identify what would motivate others.

KEY QUOTES

"Change others' view of the consequence bundle and their behavior will follow."

"Change people's hearts by changing their minds."

"Desiring to get out of hard and noxious work doesn't reflect a character flaw; it's what smart people do."

"The goal of exploring consequences is to bring to the surface the issues that make the task undesirable."

- If you've tried all the options above, and the other party still continues to violate the agreement, *discipline* may be required. In such cases, you need to know the mechanics and processes in your organization, partner with others in authority (e.g. partner your boss to discipline a staff, or partner your spouse to discipline your child), explain what would happen if the infraction continues, be consistent and follow through.

- Sometimes, full resolution is impossible, e.g. your boss may apologize for using abusive language but cannot promise that he will be able to rein in his temper in future. In such cases, you can't impose your will on others. However, you can share your *coping strategy* to distance yourself from the problem, e.g. let your boss know that if he loses his temper again, you may politely excuse yourself until he cools down.

To **stay in dialogue**, here are some points to watch for:

- Don't let sharing sound like threatening;

- Be open to others' perspectives of natural consequences;

- Don't oversell: stop once the person understands the overall impact and agrees on what needs to be done.

Finish well. After completing the steps above—discussing consequences, making it motivating, and getting consent to honour your agreement—you must wrap up the confrontation with a follow-up plan (which we'll elaborate on later).

Make it Easy to Keep Commitments

After you've identified the barriers, you need to remove them. People naturally avoid hard or unpleasant work—it's your job as a leader to make things easier and more desirable. In the short run, you can apply pressure to get someone to do something they don't wish to do. However, in the long run, you need to remove the real or perceived barriers that make the job undesirable.

Avoid jumping in quickly with suggestions and advice. Instead, **involve others in the problem-solution**, so you motivate and enable them.

KEY QUOTES

"There's a fine line between sharing natural consequences and threatening others… If your motives are wrong, sharing becomes threatening."

"It's your job to help remove the barrier. It's your job to help make it easy."

- Start by *asking people for their ideas*—they may already know the answers, or simply need some advice on where to start. By jointly working on the barriers with them, you empower them and give them greater ownership of the solutions.

- Return to the Six-Cell Model to *brainstorm existing and potential ability barriers* for the self, others and things. Ask these 3 questions: Will this person keep facing the problem? Will others have similar problems? Have we identified all of the root causes? Pretend to be an ignorant outsider and ask questions like, "Why can't we do this?", "If you ran this place, how would you solve the problem?". Give people access to the information they need to make the right decisions.

	Ability	"Brainstorm Ability Barriers"
Self	Strengths & Weaknesses	• Will this person keep facing the problem? • Will others have similar problems? • Have we identified all of the root causes?
Others	Helps & Hindrances	
Things	Bridges & Barriers	

End off by confirming if the person is willing and able to do what's required. *Pop a verifying question* to check that all key motivation and ability issues have been addressed. If you've tackled ability issues, check for motivation issues, e.g. "If I can get this sorted by 1pm, are you willing to do what's required to finish it by 5pm?" Or, if you've tackled motivation issues, check for ability issues, e.g., "It sounds like you're willing to do this. Is there anything else that could stand in your way?"

Stay Focused and Flexible

Even if you've considered your "what" and "if" carefully, you may find new issues and problems emerging as the conversation unfolds.

Be flexible: Acknowledge the new issue and consider what's the right problem to address—the original problem, the new one, or both.

KEY QUOTES

"Jumping in with your answers isn't always the smart move."

"When facing ability barriers, make impossible tasks possible and nasty tasks less nasty."

"Think hidden forces, think lots of forces, and keep at it until you're satisfied that you've wrestled every single barrier to the ground."

Be focused: Deal with one problem at a time. If you decide to tackle both issues, pause to resolve the new problem before returning to the original one. We'll explain how below.

Here are **4 emergent problems** that you're likely to face, and how you can handle them:

Loss of safety. When people feel unsafe, they move into silence or violence. In such cases, you must step out, create safety (by pointing to shared purpose, reinforcing your intent, using contrasting to clarify misunderstanding, and apologizing if needed), then step back into the conversation.

Out-of-control emotions. If the other person becomes extremely emotional (e.g. starts throwing things or becomes abusive), stepping out of the conversation may be insufficient. First, *ensure your safety*—leave the situation if you may be unsafe. If you're not in danger, move on to *dissipate the emotion*, by exploring the person's path to action, then addressing what emerges. Use the *AMPP approach* to enhance your listening skills: Ask what's going on, Mirror the person to encourage dialogue, Paraphrase for understanding, and Prime by adding words to the conversation (e.g. '"are you upset because…").

A new/different issue becomes a problem. Sometimes, a new and more serious infraction may occur during your conversation, e.g. you're discussing how your daughter has broken her curfew, when you realize she is lying to you. If you choose to switch topics, place a *bookmark* on the current topic and clarify the switch by saying, "I'd like to talk about what just happened". Move on to address the new topic, before returning to the original bookmarked topic. After resolving the new issue, assess if it's still safe to return to the previous topic, or take a break and continue another time.

Loss of trust. It's common for people to justify a broken promise by saying "something came up", and shift the conversation to discuss that distraction, instead of the failed promise and loss of trust. To maintain accountability while giving flexibility, use this simple statement, "If something comes up, let me know as soon as you can."

KEY QUOTES

"On-the-spot creativity calls for an enormous amount of flexibility."

"We become righteously indignant only when others have tread on sacred ground."

"It's okay to change topics, but always clarify what you're doing. Place a bookmark where you just were so that it will be easy to return to it later."

After the Confrontation: Move to Action

By now, we have an agreement, and can follow up with a specific plan, using **WWWF**—Who does What, by When, and Follow up:

Who: Ensure there's someone accountable for the whole task, as well as each sub-task.

What: Define the specific behaviors expected and ask if anything is unclear. Contrast the dos and don'ts to be specific, e.g. "Write down your proposed solutions on 1 page and present them. Don't come empty-handed."

By **When**: include quantifiable numbers and times e.g. Wednesday 6pm.

Follow up: Clarify when and how you'll follow up. Avoid micro-management (i.e. following up too closely) and abandonment (i.e. being too hands-off). To determine the ideal level of follow up, consider the level of *risk* (or criticality of the task), *trust* and *competence* of the party involved.

- *Check-up vs check-back*. Use check-ups if you feel uneasy about the task, e.g. set a date and time to jointly review the progress. Use check-backs for more routine tasks where the person is competent and trusted, e.g. set a date and time for the person to check back with updates.

- *Summarize the key outcomes*. State the specific agreement, and end with a question so the other party can confirm the agreement, e.g. "Is that right?", "Can you see anything else that we haven't discussed which may cause a problem?"

- *Follow up*. You should take the lead in ensuring there's proper follow-up, so you can identify what worked or didn't, and provide support to narrow or remove future gaps.

KEY QUOTES

"If you care about gaining genuine commitment, give the other person the opportunity to say yes to a very specific agreement."

"Allowing failure eventually destroys results and relationships."

Conclusion & Other Details to Look Out For

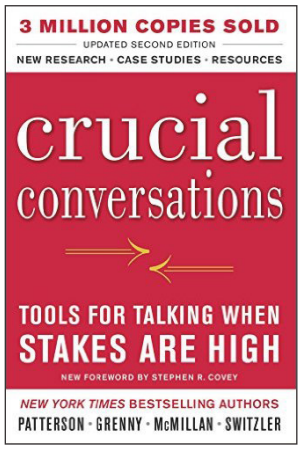
Here's a recap of the Crucial Confrontations framework.

The book ends with an extended example to show how a husband applies these principles to address his concerns of his wife's possible infidelity. The book also includes other resources including:

- 12 complex situations (e.g. confronting an authoritarian boss or someone "fragile") and how you should deal with them;
- A self-assessment survey to understand how you typically handle crucial confrontations;
- Additional diagnostic questions for the 6 sources of influence;
- Tips for motivating with praise; and
- Questions for group discussions.

You can download some of these resources at the official website.

KEY QUOTES



Crucial Conversations®

Tools for Talking when Stakes are High

KERRY PATTERSON, JOSEPH GRENNY,
RON MCMILLAN, AL SWITZLER

The Big "So What"

Our daily interactions can hold pivotal moments, with outcomes that affect the quality of our relationships, careers and life. This book helps us to identify and effectively conduct "crucial conversations", so we can overcome difficult or sensitive issues, to improve results and achieve our desired outcomes.

Introduction

The authors started with the goal to find out what made some people more effective than others. They discovered that the most outstanding leaders are able to influence the outcomes of difficult but vital conversations, without offending others. By following these leaders, observing how they handled such conversations, developing and testing theories and tools, the authors developed the tips in this book.

In this summary, we will provide an overview of the 7 key principles and associated skills of crucial conversations. For more detailed tips, powerful examples and exercises, do refer to the book.

Crucial conversations – what they are, and why they're crucial

Crucial conversations have 3 key components: high stakes, differing views, and strong emotions. They may not involve big issues, but their outcomes can affect the quality of our lives. For example, an innocent remark to your neighbour about their late night (noisy) parties can unexpectedly degenerate into a shouting match; overnight, your two families end up in a "cold war", and both sides are unhappy.

KEY QUOTES

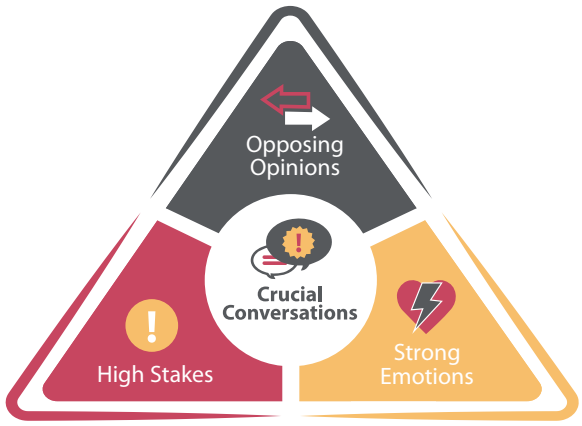
"The root cause of many – if not most – human problems lies in how people behave when others disagree with them about high-stakes, emotional issues."

"The single biggest problem in communication is the illusion that it has taken place."
- George Bernard Shaw

"The crucial conversations we're referring to are interactions that happen to everyone. They're the day-to-day conversations that affect your life."

"What makes each of these conversations crucial…is that the results could have a huge impact on the quality of your life."

"If you know how to handle crucial conversations, you can effectively hold tough conversations about virtually any topic."



Unfortunately, we are usually at our worst performance when faced with crucial conversations – because the issues are important (and often personal) to us, our emotions take over (pushing logic aside), and things start to spiral downwards.

The 7 Principles to Mastering Crucial Conversation

The Importance of Dialogues

When we enter a conversation, we bring along our beliefs, experiences, emotions, and perspectives – these jointly form our "pool of meaning". An effective dialogue involves 2 or more people exchanging meaning freely between them. For this to happen, we must make it safe for people to contribute their meaning to a common pool – that way, everyone can get a more complete picture of varying perspectives and ideas, build on them and arrive at a more informed decision, with greater understanding and ownership.

On the other hand, conflict arises when people hold different opinions and pools of meaning. Instead of a free and constructive exchange, people may become:

- **Silent and withdrawn**. They withhold their opinions for fear of confrontation, offending others or sounding stupid; or

- **Violent and aggressive**. They force their opinion on others, directly or indirectly (e.g. using sarcastic remarks, putting down others, or using authority to impose their views).

We'll now zoom in on how to identify crucial conversations, and how to master the skills to handle them.

KEY QUOTES

"People who routinely hold crucial conversations and hold them well are able to express controversial and even risky opinions in a way that gets heard."

"The more important the discussion, the less likely we are to be on our best behaviour."

"When it comes to risky, controversial, and emotional conversations, skilled people find a way to get all relevant information (from themselves and others) out into the open."

"Since the meaning is shared, people willingly act on whatever decisions they make – with both unity and conviction."

"When people purposefully withhold meaning from one another, individually smart people can do collectively stupid things."

"It's the most important set of skills you'll ever master… create conditions in yourself and others that will make dialogue the path of least resistance."

1. Start with Heart (Get the Right Focus)

It's easy to give in to our emotional impulses, or to choose between 2 poor choices. The first step is to hence get your heart right.

Know and Focus on What you Truly Want

Imagine this: You've just explained to your team how critical it is to complete the current project on schedule, and urged everyone to complete their assigned tasks by the week. One of your staff points out that 2 days ago, you agreed defer a vital input by another department, which caused a delay to your team's output. You feel offended by this open challenge, and are tempted to dismiss the comment or to retort with a sarcastic remark.

This is common problem in crucial conversations - When emotions take over, we lose sight of our original goals, and become distracted by one of these less noble goals:

- **Winning** the argument or proving ourselves rights;
- **Punishing** the other person for making us feel embarrassed, disrespected, hurt; and/or
- **Avoiding** conflict.

First, get clear on your objectives. Break down your goals into 3 parts – what you *really* want for (a) yourself, (b) others and (c) the relationship.

Then, when faced with situations like the one above, take a step back:

- **Examine if your motives have shifted** (e.g. if you're now focused on defending your ego rather than completing the project on schedule). Consider what your actions would say about your true motives, if you were looking at them as a third party.
- Then, **re-focus** and consider what you should do to achieve your real goals.

KEY QUOTES

"If you can't get yourself right, you'll have a hard time getting your dialogue right."

"When you name the game, you can stop playing it."

Refuse the Fool's Choice

Often, we mistakenly think there are only two options (e.g. talk to your spouse about her bad habit and make her unhappy, or avoid the topic altogether). During crucial conversations, we feel threatened, our brain shuts down, and we're even more likely to settle for the Fool's Choice.

The better approach is to realize that the options are not mutually-exclusive. It is possible to voice your concerns, while maintaining respect or a positive relationship. Get clear on what you truly *want*, what you truly *don't want*, and figure out how to achieve *both* objectives. Use the word "and" to frame your question, e.g. "How can I talk to my spouse about her bad habit *and* not make her unhappy?", or "How can I request for flexible work arrangements *and* keep my promotion?"

2. Learn to Look (Know when it's unsafe)

Most people focus only on the content (e.g. words) of a discussion, but neglect the more subtle conditions (e.g. feelings, tones). Become aware when a dialogue is breaking down, so you can bring it back on track. Here are some conditions to look out for:

Conversation Cues: Look for signs that a conversation has shifted from a normal one to a crucial one. The cues can be *physical* (e.g. tightening of chest, clenching of fists), *emotional* (e.g. feelings of fear, hurt, anger) or *behavioural* (e.g. finger pointing, raised voices).

Loss of safety: When people feel safe, they tend to share more freely. When they feel insecure, they retreat, become more defensive, and can be blind to logic. Usually, they'll either resort to silence or violence:

- *Silence* could manifest as *avoidance* (e.g. changing the subject, evading an answer), *masking* (e.g. using indirect references or sarcasm), or *withdrawal* (e.g. leaving the dialogue);

KEY QUOTES

"The mistake most of us make in our crucial conversations is we believe we have to choose between telling the truth and keeping a friend."

"When our brain isn't functioning well, we resist complexity. We adore the ease of simply choosing between attacking or hiding."

"The sooner you notice you're not in dialogue, the easier it is to get back and the lower the costs."

- *Violence* could show up as *controlling* (e.g. exaggerating facts), using *labels* (like stupid or evil) to discredit ideas or people, or *attacking* (threatening or belittling others).

Know your personal cues: It's harder to observe yourself than others. Use the survey in the book to learn what reactions you're most prone to under stress, so you can look out for them.

3. Make it Safe (Facilitate an Open Dialogue)

Once you see signs that you or others feel unsafe, the best approach is to step out of the current conversation, restore safety, *then* resume the dialogue. With a safe environment, you can once again talk things through openly.

Identify What's at Risk

There are 2 key conditions required for a safe dialogue:

Mutual Purpose. To *start* a dialogue, people must believe that you care about them and their goals (rather than hold malicious intent). Have everyone clarify their goals using the "Start with Heart" questions, then identify a common goal – this sets a positive context for the dialogue.

Mutual Respect. Respect is essential to sustain or *continue* the dialogue. Once people feel that they're being disrespected, they shift their focus away from the discussion to protecting their pride. To restore safety, you need to stay connected, by empathizing with others or by focusing on areas of similarities (rather than differences).

3 Approaches for Restoring Safety

Once you have stepped out of the conversation, choose the right approach for your situation:

Apologize. If you've caused someone pain due to your mistake, apologize first. If this brings back a safe space, you can proceed to explain what happened; if it doesn't, move on to the other methods below.

KEY QUOTES

"Mutual Purpose means that others perceive that you're working toward a common outcome in the conversation, that you care about their goals, interests and values. And vice versa."

"Respect is like air. As long as it's present, nobody thinks about it. But if you take it away, it's all that people can think about."

"To offer a sincere apology, your motives have to change. You have to give up saving face, being right, or winning in order to focus on what you really want."

Use contrasting. If there has been a misunderstanding (not due to your fault), use this method to address it. Start by addressing the others' *concerns* (e.g. "I didn't mean to give you the impression that I don't value your suggestions."), then *affirm* your respect or clarify your true objectives (e.g. "I do appreciate the innovative and constructive ideas that you've been offering."). Unlike an apology, contrasting is about putting things in perspective, so you can prevent further breakdown in the dialogue, or reduce the pain from a misunderstanding.

Develop Mutual Purpose. If you and your partner(s) have different or even opposing goals, you'll need to first develop a common objective, before you can resume an effective dialogue. Use the "CRIB" approach to achieve this:

- *Commit to find a Mutual Purpose*: Make a sincere, unilateral commitment to stick to the conversation until you can find a solution to your mutual goals, e.g. "It appears we have different views on this issue, but I'm committed to stick to our discussion until we find an outcome that meets both our goals."

- *Recognize our Purpose is different from our Approach*: What we want is often not the same as what we say to get it. Ask people *why* they are making their request, to understand the underlying goal. By clearly identifying the end goal that both parties want, you can step away from your original approach to find new alternatives.

- *Invent a Mutual Purpose*. If your goal can't be achieved except at the other person's expense (or vice versa), one option is to rise above the short-term goals and identify a broader, more inspiring common goal.

- *Brainstorm new approaches*, focusing on solutions that can achieve both parties' goals.

It's hard to apply these skills in the midst of an emotionally-charged conversation. The key is to learn the skills before crucial conversations take place. The improvements may be incremental, but any progress can bring positive results, and they add up over time.

KEY QUOTES

"When it comes to these high-stakes conversations, a little progress can produce a lot of benefit."

4. Master your Stories (Stay in Constructive Dialogue)

Managing your emotions will help you to master crucial conversations, and stay in dialogue despite negative feelings.

Understand the "Path to Action"

First, let's look at why people react emotionally, and why the same circumstances may trigger different responses in different people.

When we see or hear something, we create a story about why it happens, and decide if it's good or bad – these affect how we feel, which affects how we act. The authors call this the "Path to Action":

Imagine you're in the middle of a meeting. You see a colleague lean over and whisper something to another colleague; both of them snigger and one of them glances at you. You tell yourself angrily that they must be gossiping about you, and make a mental note to confront them later. Such stories may be conjured so quickly that you feel upset without realizing the underlying story you've created.

There are typically 3 types of stories that we tell ourselves:

- **Victim plot**: We present ourselves as the victims and ignore how we may have contributed to the problem or situation.
- **Villain plot**: We present the other party as a total villain (e.g. idiot, maniac, slave-driver) and ignore their positive or humane side.
- **Helpless plot**: We present ourselves as having no choice but to do what we did.

We tell such stories because they allow us to shirk responsibility and justify our actions (which we may silently acknowledge is undesirable). However, we do have a part to play in most unhappy situations:

- No one can make us upset. Our feelings are a result of how we react to others, *so we make ourselves upset*.

KEY QUOTES

"If we take control of our stories, they won't control us."

"'Clever stories'…allow us to feel good about behaving badly even while achieving abysmal results."

- Once we're upset, our emotions prompt our actions (e.g. confronting our colleagues), and also prompt others' response.

Know and Master your Stories

To break the cycle, the best way is to:

Retrace your steps. Pause what you're doing and retrace your "Path to Action" in reverse order:

- o Take note of how you are *acting* (e.g. if you're being withdrawn or aggressive);
- o Identify the *feelings* behind those actions;
- o Examine the *story* that's creating those feelings; and
- o Check if the story is based on real *facts* (which can be measured and verified), or if there could be alternative explanations.

The book also includes several examples and additional tips, such as "hot words" to listen for, and how to test your assumptions.

Tell the remaining story. Fill in the missing details/ perspectives of your stories to make them constructive. Specifically:

- o Convert *victims to actors*: Be aware of your role in the situation and take responsibility for the mistakes you may have made.
- o Convert *villains to humans*: View others through the lens of empathy, to see their positive side and the reasons for their behaviours (which are often not malicious).
- o Convert *the helpless to the able*: Revisit the "Start with Heart questions", and use the "and technique" in Step 1, to identify what you could do to achieve your desired results.

5. State your Path (Share your views persuasively)

How do you convey something bad or controversial, yet maintain a positive, respectful tone? Here are 5 STATE skills to share your views without offending others:

KEY QUOTES

"Separate fact from story by focusing on behaviour."

"If the '60 Minutes' camera crew replayed this scene on national television, how would you look? What would they tell about your behaviour?"

"By asking what role you've played…you become aware of how you've minimized your own mistakes while you've exaggerated the role of others."

"The best at dialogue…are both completely frank and completely respectful."

Share the Facts. Start by sharing what you saw or heard, rather than your story. For example, rather than saying "you've been lying to me", it's safer to start with "you said you didn't know Esther, but I just saw a photo of you two together."

Tell your Story. Share your story and feelings, using contrasting to minimize misunderstanding, and watching for signs that people feel unsafe.

Ask for Others' Paths. Encourage others to share their own facts, stories and feelings, and be open-minded to alternative views.

Talk Tentatively. Present your stories as hypotheses rather than facts. Use phrases like "I wasn't sure if….", or "I was wondering if…", rather than "The point is….", "My view is….".

Encourage Testing. When others feel unsafe, they will be reluctant to share their honest views, stories or feelings. Encourage testing by asking others (respectfully) to disprove your story.

As you apply these skills, keep looking for signs of silence or violence. Once you spot such signs that the other person feels unsafe, examine if you're also behaving that way. Step back, tone down, and restore safety. Remember that your views are not the only valid ones, and forcing your way through will only cause a downward spiral.

6. Explore Others' Path (Be a Good Listener)

When you notice signs (silence or aggression) that safety has been breached, how do you proceed? Besides apologizing, using contrasting and finding mutual purpose, we must be **ready to listen**. To do this, we must be:

- **Sincere**. Be genuinely interested in others' views;

KEY QUOTES

"When we feel the need to push our ideas on others, it's generally because we believe we're right and everyone else is wrong."

"The reason we should speak tentatively is because we, indeed, are not certain that our opinions represent absolute truth or our understanding of the facts is complete and perfect."

"The harder we try and the more forceful and nasty our tactics, the greater resistance we create, the worse the results and the more battered our relationships."

- **Curious**. When others become silent or violent, or share their stories and feelings, it's easy to mirror them and get dragged into our own stories. Instead, be curious about why they would react that way; and

- **Patient**. Emotions tend to linger on even after thoughts have shifted. Hence, someone may still feel emotionally unsafe even if they've logically accept they're safe.

Encourage Others to Share their Views

By the time conversations turn crucial, they are already moving through the Path to Action. It's vital to manage our own emotions, and focus on helping others to retrace their path – our goal is to find the source and facts behind the stories and feelings.

To do so, use these **4 listening tools (AMPP)**:

Ask. Take the initiative by sincerely inviting them to share, e.g. "Please help me to understand what's going on", "I'd really like to know what you think about this."

Mirror. Confirm feelings by mirroring what you see, e.g. "You say you're fine, but you seem really tense."

Paraphrase. Summarize or rephrase the message in your own words, to make sure you've understood it correctly

Prime. As a last resort, if you sense that the other party is still withholding, try making a best-guess of what their story may be, then prime it e.g. "Are you thinking that this innovation is too risky?"

Even if you feel that the other person's view may not be right, remember to keep an open mind – the goal is to keep the dialogue going to reach a mutually-satisfactory resolution.

Minimize unnecessary disagreements

Remember the **ABC** of effective dialogues:

KEY QUOTES

"At the very moment when most people become furious, we need to become curious. Rather than respond in kind, we need to wonder what's behind the ruckus."

"If we don't get at the source of their feelings, we'll end up suffering the effects of the feelings."

"Priming is an act of good faith, taking risks, becoming vulnerable, and building safety in hopes that others will share their meaning."

"Understanding doesn't equate with agreement. Sensitivity does equate to acquiescence."

- **Agree**. When you've secured a broad agreement, don't allow the small details to turn an agreement into an argument (e.g. you've decided to proceed on a project, but can't agree on the start date).

- **Build**. If you're in broad agreement but lack specific information, reinforce the agreement, then focus on filling the missing gaps.

- **Compare**. When you have differing views, compare the stories to identify and understand the differences, rather than dismiss either story as "wrong".

7. Move to Action (Convert dialogue to results)

An effective dialogue allows us to develop shared meaning and shared purpose. However, reaching an agreement does not guarantee action and results, e.g. you may have agreed to set up an inter-departmental taskforce, but the execution details may not have been decided.

Make Specific Decisions

The authors share 4 decision-making methods you can choose from:

- **Command**: This works well when decisions are necessitated by external factors like customer or industry demands, or when the stakes are too low for detailed discussions.

- **Consult**: This involves soliciting inputs, views or options from others before making a decision.

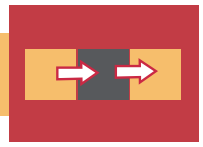
- **Vote**: This is great for choosing between several good options.

- **Consensus**: This can be tedious and frustrating, and should only be used for complex issues, and/or when it's vital to secure all stakeholders' support.

In choosing between these 4 methods, consider who really *cares* to be involved, who has the *know-how* for sound decisions, who must *support or cooperate* for the decision to work, and *how many* people must be involved (proportionate to the importance of the issue).

KEY QUOTES

Ensure Follow-up



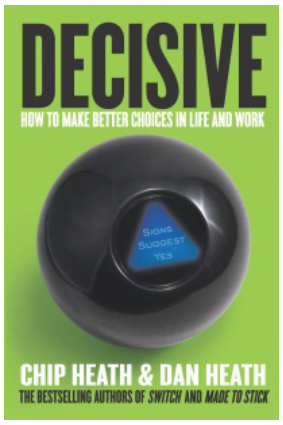
Once a decision has been made, ensure closure by (a) clearly specifying who to do what by when, and (b) establishing clear follow-up and accountability.

Other Details in the Book to Look Out For

The book includes many useful case studies to illustrate crucial conversations at work at home and in the workplace, and how to apply the skills and tips to achieve your desired outcomes. There are also several useful exercises for you to practice handling difficult situations, a "Style Under Stress" survey and an entire chapter dedicated to examples of difficult or sensitive conversations. Some examples include: dealing with an overly-sensitive spouse, blatant disrespect, or under-performing teammates. For additional resources, videos and other useful materials, do get a copy of the book or go to www.CrucialConversations.com/.

KEY QUOTES

"If you want people to feel accountable, you must give them an opportunity to account."



DECISIVE

How To Make Better Choices in Life and Work

CHIP HEATH AND DAN HEATH

The Big "So What"

We make decisions every day. Yet, we often find ourselves regretting or abandoning these decisions—be it choosing the wrong career, making a poor business decision, or buying something we don't need. This book explains why we make poor decisions, and how we can counter our own mental/emotional biases to make better choices.

Introduction

There are many books and studies that explain why we make **poor decisions.**

- For example, in "Thinking, Fast and Slow", Daniel Kahneman explains many of our mental biases, including "what you see is all there is". The Heath brothers call this the "*spotlight effect*", i.e. we make decisions based on the information being spotlighted and our subjective interpretation of that information. In so doing, we miss out on information and options outside of the spotlight.

- In fact, we can't trust our *intuition or detailed analysis*, as both are susceptible to biases.

The question that remains is: **How can we make better decisions**? The Heath brothers explain 4 key steps in a typical decision-making process, the villains that causes bad decisions at each step, and how we can counter them using the WRAP process to adjust our spotlight and make better choices.

KEY QUOTES

"Our decisions will never be perfect, but they can be better. Bolder. Wiser. The right process can steer us toward the right choice."

"What's in the spotlight will rarely be everything we need to make a good decision, but we won't always remember to shift the light."

"Sometimes we are given the advice to trust our guts when we make important decisions. Unfortunately, our guts are full of questionable advice."

Decision-making Process	Key Villains	WRAP Solution
Facing a choice	Narrow Framing	Widen your Options
Analyzing options	Confirmation bias	Reality-Test your Assumptions
Making a choice	Short-term emotions	Attain Distance before Deciding
Post-decision	Overconfidence	Prepare to be Wrong

The 4 Villains of Decision Making

Here are the 4 key factors behind our bad decisions.

Villain #1: Narrow framing.

- When we *face a choice*, we tend to look at our options narrowly, and often in binary terms, e.g. "Should I buy a new house or not?" or "Should I quit or stay in my job?". This limits the options that we consider.

- In reality, there are always more and better options if you use a *broader frame*, e.g. "What's the best way to improve our living conditions?" or "How can I improve both my income and job satisfaction?".

Villain #2: Confirmation bias.

- As we *analyze our options*, we tend to only look for data that confirms our beliefs, assumptions and predispositions, instead of truly seeking the best information.

- Researchers found that we're 2x more likely to favor information that *confirms our view* than information that disconfirms it. In fact, the more time and effort we invest in analyzing an issue, the more our confirmation bias kicks in. A KPMG study found of 83% of 700 mergers and acquisitions (M&As) did not boost shareholder value. This is partially

KEY QUOTES

"A better decision process substantially improves the results of the decision, as well as the financial returns associated with them."

"The confirmation bias leads us to hunt for information that flatters our existing beliefs."

"When we want something to be true, we will spotlight the things that support it, and then, when we draw conclusions from those spotlighted scenes, we'll congratulate ourselves on a reasoned decision."

because, after months of analyzing and negotiating a potential M&A, executives tend to focus only on the company at hand, rather than reconsider other companies or new ways to achieve their goals.

Villain #3: Short-term emotions.

- Despite our detailed data and analysis, when we actually *make our choice*, we tend to be influenced more by our short-term feelings.

- In such cases, it helps to *step away* until the emotions fade, so we can see things from a fresh perspective and consider the bigger picture.

Villain #4: Overconfidence.

- *After making the decision*, we tend to feel certain about how the future will turn out, when in reality we are merely guessing and have no way of accurately predicting the future.

- For example, doctors who were "certain" about their diagnosis turned out to be *wrong* 40% of the time. Students who estimated they had a 1% chance of being wrong were in fact wrong 27% of the time.

Solution: W.R.A.P

To protect yourself from these 4 biases, wrap the 4-step W.R.A.P. process around your usual decision-making process.

The 4 steps generally flow in **sequence**, but you need not follow them strictly, and you may not always need all the steps.

This process works only for **considered decisions** that take at least 5 minutes, i.e. it does not work for intuitive, split-second decisions, which can only be trained in a predictable environment with lots of repetition and instant feedback.

KEY QUOTES

"We have kicked up so much dust that we can't see the way forward. In those moments, what we need most is perspective."

"When we make guesses about the future, we shine our spotlights on information that's close at hand, and then we draw conclusions from that information."

"Our hope is that you'll embrace the process we outline…and practice it until it becomes second nature."

Widen your Options

To overcome your tendency to adopt a narrow frame, use these 3 strategies to (a) expand your options, (b) effectively consider multiple options, and (c) find alternatives even if you're stuck.

Avoid a Narrow Frame

Learn to **become aware** when you're stuck in a narrow frame.

- Watch or listen out for *whether-or-not questions*. Then, consciously widen your options with questions like "Is there a better way?" or "What else can I do?".

- *Replace "OR" with "AND"* in your questions to ask "How can I get this AND that?" rather than "Should I go for this OR that?"

Consider your opportunity costs, i.e. what you give up when you make a choice. For example, if you're deciding whether to buy a car (a binary decision), you can remind yourself of other options simply by *adding the words in bold below.*

a. Buy a car.

b. Not buy a car. **Keep the $5,000 for something else.**

Use the "Vanishing Options Test": Ask yourself what you'd do if you can't choose either of the options you are considering. This forces you to go beyond your narrow frame to explore new alternatives.

Multitrack—Explore Multiple Options

Consider more than 1 option simultaneously. This is more effective than considering your options sequentially.

- For example, graphic designers who concurrently designed (and received feedback on) 3 design options delivered much *better results* than those who designed 3 ads sequentially.

KEY QUOTES

"Learn to distrust 'whether or not' decisions…when you see or hear that phrase, a little alarm bell (should) go off in your head, reminding you to consider whether you're stuck in a narrow frame."

"If you're willing to invest some effort in a broader search, you'll usually find that your options are more plentiful than you initially think."

"Until we are forced to dig up a new option, we're likely to stay fixated on the ones we already have."

- This is because people can *compare and learn simultaneously* from various sets of feedback, to develop better mental models and solutions for subsequent revisions. With multiple alternatives, people also tend to feel less invested in any one solution, thus *minimizing ego and politics*.

- However, this will not work if *bogus options* are presented just to make a preferred option look good. Do a quick poll amongst your team-mates—if there's disagreement on the best option, it means you have genuine options to choose from.

You simply need to add **1-2 additional options** to drastically improve your decision and outcomes.

- There's no need for a full range of options; in fact, too many choices can lead to *decision paralysis.*

- A study found that whether-or-not decisions (with only 1 option) failed 52% of the time in the long term, while decisions with *2 or more alternatives* failed only 32% of the time.

Our **frame of mind** affects how we respond to the options we see.

- When we're in a "*preventive mindset*", we are cautious and focused on minimizing losses or damage. When we're in a "*promotion mindset*", we focus on opportunities.

- You need both perspectives, and the key is to *combine caution with optimism*—focus on AND, not OR, e.g. how can you reduce the budget while using the freed-up resources to invest in your most exciting opportunities?

Find Others Who Have Solved Your Problem

If you feel stuck, one of the best ways to find new ideas is to look for people who have already solved your problem.

You can find "**bright spots**" within your organization, your industry or others in similar circumstances. For example, if you're trying to build a new exercise habit, look at what you did on those days when you successfully went to the gym. If you're

KEY QUOTES

"You don't need a plethora of choices to improve your decisions. You just need one extra choice, or two."

"How you react to (an option)…depends a great deal on your mindset at the time it's offered."

"When life offers us a 'this or that' choice, we should have the gall to ask whether the right answer might be 'both'."

"To break out of a narrow frame, we need options, and one of the most basic ways to generate new options is to find someone else who's solved your problem."

trying to implement a new loyalty program, look at how others have successfully rolled out theirs.

You can even proactively capture your discoveries in a "**playlist**", e.g. people to consult, ideas to consider, or questions to ask.

- *Checklist vs playlist*. A checklist is prescriptive—it tells you exactly what you need to do and works for repetitive tasks. However, a playlist is generative—it acts as a stimulus to help people consider more options and discover new ideas.

- For example, a playlist for *budget cuts* could include: exploring new sources of income to alleviate the need for cost-cutting, delaying planned expenditures (not just cutting existing ones), and identifying new opportunities that are now possible to pursue with the freed-up resources. Such a playlist helps your team to approach budget cuts more creatively and constructively.

Use **analogies** to get new ideas, starting from analogies that are most identical to your situation, then expanding it progressively to get more creative. For example, if you want to reduce the queuing time in your office canteen, you can start with bright spots within your organization (e.g. how queue lines were shortened at the checkout counters). Then, gradually broaden your reference points to look at other industries, e.g. queue-management at F&B outlets or retail stores, or even crowd management practices at stadiums or theme parks.

Reality-Test your Assumptions

To overcome confirmation bias and our overconfidence in our predictions, we must reality-test our assumptions. The authors recommend 3 strategies to (a) improve the way we collect information, (b) improve the types of information we collect, and (c) test our options before we commit to them.

Consider the Opposite

Look for disconfirming data that challenge your beliefs or assumptions. Deliberately seek disagreements or find people who can play devil's advocate, to get a more balanced perspective.

KEY QUOTES

"Granular problems benefit from local analogies, and conceptual problems lend themselves to regional analogies."

"If you haven't encountered any opposition to a decision you're considering, chances are you haven't looked hard enough."

Probe further to draw out disconfirming information.

- Use *probing questions* like: "*What would have to be true* for this option to be the right answer?", or "Could this solution bring any problems?". Where probing questions are inappropriate, you can use open-ended questions to gather data.

- *Probe for specifics*, which may uncover conflicting data. For example, instead of asking, "are your employees happy with your company?", try asking "how many employees were hired 5 years ago?" and "how many of these employees are still with the company?".

Force yourself to **consider what's opposite to your instincts**.

- If you are feeling upset with someone, force yourself to "*assume positive intent*", e.g. assume that the other person is trying to be helpful, rather than being a busy-body.

- At the extreme, you can test your assumption by *making a deliberate mistake*, i.e. do what you believe won't work. If you fail, it proves your assumptions are correct; if you succeed, you'd have just disproved a wrong assumption.

KEY QUOTES

"Reality-Testing Our Assumptions is difficult… That's the whole point of the confirmation bias—deep down, we never really want to hear the negative information."

Zoom Out and Zoom In

An "outside view" is the summary of real-world experiences, while an "inside view" is your own impression or opinion. Zoom out and zoom in to get a more complete and realistic assessment of your choices.

Zoom out to get a more global view of what to expect.

- Test your assumptions by *consulting an expert*—someone who has more experience than you in an area—such as a lawyer for legal matters. Generally, experts are great at offering advice on variables and base-rates, but not for predicting outcomes for specific situations.

- Seek to answer this question: *What can I reasonably expect* to happen if I make this choice?

Then, **zoom in** on the details to assess the likely outcomes for your unique situation, and focus on specific ways to improve your chances of success.

- For example, you may shortlist *potential holiday resorts*

"Take the outside view. You should distrust the inside view…and instead get out of your head and consult the base rates."

based on research of other travellers' reviews and ratings. However, you'd only know if a resort is ideal for you after you zoom in on the specific comments (e.g. does the resort offer your favourite seasport and does it have the types of food you like?).

- Likewise, if you're planning to *start a business*, you can do a reality-check by looking at success rates and profit margins of various types of businesses, key factors behind business failures etc. However, to maximize the success for your business, you'd need to examine details like product specifications, types of product testing and quality control measures adopted by your top competitors, specific strategies to manage shipping and inventory control etc.

Test Assumptions with Small Experiments

Instead of spending all your time doing research and analysis, or plunging into a major decision based on gut-feel, use "ooching" to dip your toe in the water first.

Test your hypotheses using small experiments in real-life. For example, you can test if a profession is suitable for you by taking up internships and part-time jobs. To launch a new product, test it in the market with a prototype before you invest the resources to perfect it.

It's also more effective to use work samples, job knowledge tests and peer ratings to **predict job performance** (compared to interviews).

Ooching works best in cases where you honestly need more information. It **should not be an excuse** to avoid making commitments or put off difficult decisions.

Attain Distance before Deciding

To make sure your choices are aligned with what you truly want, you need to (a) manage the short-term feelings that cloud your judgment and (b) know and follow your priorities.

KEY QUOTES

"When we ooch, we bring real-world experience into our decision."

"To ooch is to ask, Why predict something we can test? Why guess when we can know?"

"Ooching…should be used as a way to speed up the collection of trustworthy information, not as a way to slow down a decision that deserves our full commitment."

Conquer Short-Term Emotions

We often make decisions based on emotional impulses, then regret them when the feelings fade.

By default, we tend to be **emotionally attached** to status quo and what's familiar:

- *Loss-aversion*. We find the pain from potential losses to be greater than the rewards from potential gains, thus prefer to keep things the way they are.
- *Familiarity*. We are naturally predisposed toward what we're familiar with, and tend to feel more positive about something just because we're exposed to it more frequently.
- Use the techniques below to *distance yourself* from these short-term impulses so you can make better decisions.

The "10/10/10 principle". To decide whether to proceed with an option, consider how you'll feel about it (a) 10 minutes from now, (b) 10 months from now, and (c) 10 years from now.

- Our feelings seem very real and intense in the present, but fade with time. By forcing yourself to *look into the future*, you'll dull the impact of your emotional impulses.
- Our short-term feelings are still useful in decision-making. The key is *put them in perspective* so they are not the main or sole influencer of our decisions.

Adopt a third-party perspective to distance yourself from your emotions and gain greater clarity. Ask yourself, "What advice would I give my best friend in such a situation?" or "What would my successor do in my shoes?".

Honor your Core Priorities

Although it helps to minimize the impact of short-term impulses, all major decisions are fundamentally about emotions—what you believe in, what you want and who you are. The key is to make decisions that are right for you.

If you find yourself agonizing over 2 options that are both attractive in the long-term, it's likely that you're dealing with a **conflict of core priorities.**

KEY QUOTES

"Conducting a 10/10/10 analysis doesn't presuppose that the long-term perspective is the right one. It simply ensures that shortterm emotion isn't the only voice at the table."

"There's no 'rational machine' underneath that is generating your perspective. It's who you are and what you want. The buck stops with emotion."

- Imagine you're trying to decide whether to stay in your current job (which pays well, provides work-life balance and allows you to play to your strengths) or take on a high-profile job (which comes with a huge pay rise, new challenges but requires you to move overseas and work long hours). The right decision in this case depends on *your values and what matters most to you.*

- Tough organizational decisions like, "Do we go with Option A to maximize shareholder value, or go with Option B to maximize benefits to our customers?" are also about *mission and core values.*

In order to make sound decisions, you must **define and follow your core priorities**. However, most people don't define their priorities simply because they don't have to. Attain distance so you can step back and review where your priorities truly lie.

Even if you know your priorities, it's hard to stick to them, e.g. you may value quality time with your kids but constantly give priority to urgent work projects. To make time for your key priorities, you must **remove your lesser priorities**.

- Create a "*stop-doing list*" each year, to free up time/resources for your main priorities.

- Fix a slot in your weekly schedule to *review how you spend your time*, and to identify what you can give up to make time for your priorities.

- *Set a regular alarm*—each time it goes off, pause and ask, "Am I doing what I most need to be doing right now?"

Prepare to be Wrong

We cannot accurately predict the future, but we can plan for surprises using 2 strategies: (a) bookend the future so you explore a wider range of possibilities and (b) set a tripwire to review your decisions.

Bookend the Future

Estimate 2 extreme scenarios—a desperate outcome (the lower bookend) and a dream outcome (the upper bookend). This forces you to consider a broader range of possibilities.

KEY QUOTES

"When we identify and enshrine our priorities, our decisions are more consistent and less agonizing."

"People rarely establish their priorities until they're forced to."

"With some distance, we can surface the priorities conflicts that underlie tough choices. With some distance, we can spot and stamp out lesser priorities that interfere with greater ones."

"We can't control the future, but with some forethought, we can shape it."

"To bookend the future means that we must sweep our spotlights from side to side, charting out the full territory of possibilities."

Build safeguards against the **lower bookend**, much like how you'd buy insurance.

- Use "*premortems*" (a concept by Gary Klein) to identify your biggest threats: Imagine your project turns out to be a total flop—what could have caused that failure? Build contingencies for these threats.

- Use "*failure-mode and effect analysis*" or FMEA (by Gunther Murphy) to identify potential failures at each step of your plans. Ask "how likely is it?" and "how severe would the consequences be?", then multiply the scores for the 2 questions to identify the biggest threats to be addressed.

Be prepared for the **upper bookend** or the unexpectedly good outcomes. Use a "*preparade*": Imagine your project is such a success that you're holding a parade to celebrate it. What will you need to handle this success?

Assume you're still overconfident, and build in a **margin of error** that's appropriate for your type of project.

You can also apply this concept to make better hiring decisions. During interviews or new-hire orientations, give a "**realistic job preview**", i.e. give a glimpse of what to expect, including unpleasant realities like long hours or difficult customers. By preparing people for what's to come, you can actually reduce turnover and improve job satisfaction.

Set a Trip-Wire

It's easy to get comfortable with status quo or lapse into auto-pilot mode (like how we brush our teeth or drive without conscious thought). We may also miss small daily changes or adopt a wait-and-see approach until it's too late. Tripwires are signals that will force us to reconsider a decision or to make a new one, at the right time, like your car's low-fuel warning indicator.

Your tripwire can be in the form of a **date or measurement**, e.g. "We will take action when 20% of the market has adopted this technology" or "We will take action if the market has not recovered in the next 3 months."

You can also create a **partition** that necessitates a conscious choice.

- In a study, participants who were given 24 unwrapped cookies finished them in 6 days, while those given

KEY QUOTES

"By bookending—anticipating and preparing for both adversity and success—we stack the deck in favor of our decisions."

"The FMEA and its sister technique, the premortem, stop people from focusing on a single, usually optimistic guess about how the world will unfold and instead compel them to pay attention to the uncertainty surrounding the guess."

"Tripwires at least ensure that we are aware it's time to make a decision, that we don't miss our chance to choose because we've been lulled into autopilot."

individually-wrapped cookies finished them in 24 days. The physical act of removing the wrappers forced people to consider if they wanted to continue eating.

- Likewise, you can create tripwires by separating your salary (or even gambling funds) into separate envelopes to remind yourself to control your expenditure.

Label your tripwires to make them easier to recognize—the recognition alone acts as a reminder that you can make a deliberate choice.

Conclusion + Other Details in the Book to Look Out For

The WRAP process provides a clear and consistent way to make better decisions; it can also improve the perception of fairness to improve buy-in for group decisions. Apply the tips to your decisions, and trust that you have the safeguards in place to make bolder decisions and take risks more confidently.

The Heath brothers bring these ideas to life using a range of real-life stories, vivid examples and case-studies. The book also includes:

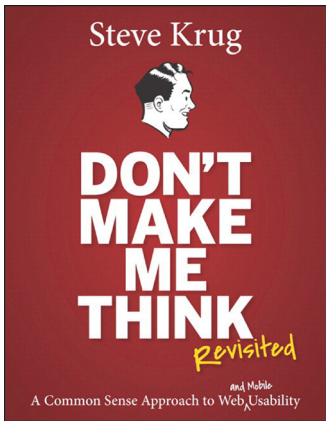
- "Clinics" to help you apply the tips using various real-world challenges; and

- Advice on overcoming 11 common roadblocks to use the WRAP process effectively.

Visit heathbrothers.com for additional resources such as a free workbook, various decision scenarios, podcasts and a book club guide.

KEY QUOTES

"With the right tripwire, we can ensure that we don't throw good money (or time) after bad."



DON'T MAKE ME THINK, REVISITED

A Common Sense Approach to Web Usability

STEVE KRUG

The Big "So What"

Today, it's hard to imagine any business without a website or internet presence. This book offers valuable principles and guidelines on how to design great, usable websites. Such insights are relevant for web designers, developers, and anyone who wants to think like a usability expert—to understand how people behave and how you can make things more usable.

Introduction

This book was first written in 2000. Since then, technology has changed rapidly, yet the principles in the book remain unchanged because **usability is fundamentally about human psychology**. Once you understand how the human brain works, you can continue to apply the insights even as technology and landscapes evolve.

This 2013 edition was updated with newer examples and to address **3 additional landscape changes since 2000**:

- Internet-usage has gone *mobile*. We no longer surf the web only in front of the computer. We're now constantly connected to the internet via different devices (especially our phones), to make dinner reservations, adjust our home lighting or temperature, do our banking etc.

- Websites are becoming *smarter and more powerful* and can learn/anticipate what users need. In fact, users often get irritated when sites don't do *exactly* what they expect them to do.

KEY QUOTES

"Usability is about people and how they understand and use things, not about technology ...while technology often changes quickly, people change very slowly."

"The human brain's capacity doesn't change from one year to the next, so the insights from studying human behavior have a very long shelf life. What was difficult for users twenty years ago continues to be difficult today."
—Jakob Nielsen

- The concepts of *usability and user experience design (UX)* are now widely known, not just to the techies. However, most people still don't know exactly what to do about it.

As a usability consultant, the author helps to test websites to identify key areas for improvement. However, not every company can afford to hire consultants. This book equips you and your team with useful principles and tips to **prevent and address usability issues** on your own. In this summary, we'll use the term "website" to refer generically to both websites and web/mobile apps.

Key Principles and Guidelines

The 3 Laws of Usability

Basically, something is usable if an average person can figure out how to use it to achieve an outcome without it being more trouble than it's worth. Krug breaks this down into 3 laws:

Law #1: Don't make the user think. This is the overarching rule. Each time a user has to pause (even for a split-second) to think about something, it distracts him from the action you want him to take. The goal is to make your website *effortless* to use, i.e. make it self-explanatory, if not self-evident.

- A website is *self-evident* when users "get" what it's about and how to use it without having to think. As a rule of thumb:

  (i) Make clickable links/buttons obvious.

  (ii) Use words that are obvious to *everyone*. Avoid technical jargon, clever-but-confusing marketing phrases, or terms that're specific to your industry/company.

Here are 2 examples:

	Obvious	Requires some thought	Unclear
#1	Jobs	Employment Opportunities	Job-a-holics!
#2	Download	Download	Download

KEY QUOTES

"Usability is, at its heart, a user advocate job…Usability is about serving people better by building better products."

"Your job is to get rid of the question marks…every question mark adds to our cognitive workload, distracting our attention from the task at hand."

"Making every page or screen self-evident is like having good lighting in a store: it just makes everything seem better."

- Even if you're doing something new that's unfamiliar to most people, you can still make the UX *self-explanatory*. Help users to understand and navigate the website with just a small amount of carefully-worded texts.

Law #2: Make every click an obvious choice with no need to think. Krug believes that the number of clicks doesn't matter, so long as each click is (i) mindless (i.e. no thinking required) and (ii) obvious (i.e. the user is sure it's the right choice). The only exception is during slow internet speed, in which case the # clicks will make a difference.

Law #3: Half the words on each page, then half them again. Remove all unnecessary words to reduce distractions, allow the key content to stand out, and shorten the page to minimize scrolling. The only exception is for news or content-driven articles.

How People Use the Web

We do *not* read websites in a sequential, detailed or orderly fashion. Instead, we scan webpages and navigate sites using trial-and-error.

We scan (not read) webpages. We almost never read a webpage from top to bottom.

- We tend to skim through a page quickly and zoom in on words that (i) are clickable and (ii) seem relevant, i.e. they match our immediate task/goal, personal interests or fit certain pre-programmed triggers (e.g. words like "Free", "Sex" or "Sale").

- When something looks roughly like what we're seeking, we'll click it, scan the new page, then go "Back" if it's the wrong choice. When we find a relevant page, we also scan it quickly to pick up the specific bits of info we need.

We make reasonable (not optimal) choices. We don't take the time to compare options and select the best one. We "satisfice" or click on the first reasonable option we see. After all, we can always go "Back" if it's not what we're looking for.

KEY QUOTES

"If you can't make something self-evident, you at least need to make it self-explanatory."

"It doesn't matter how many times I have to click, as long as each click is a mindless, unambiguous choice."

"We don't read pages. We scan them."

"We don't make optimal choices. We satisfice."

We go for guesswork (not the "right" approach). Instead of reading instructions or figuring out the details, we make assumptions and fumble our way through using trial-and-error. So long as we eventually find what we want, we don't care if the process is inefficient. And, if something works, we stick to it until we stumble upon a better alternative, i.e. we won't deliberately search for better options. If you can help users to "get" your site and achieve their goals faster, they're more likely to return. You'll also have a higher chance of (i) directing them where you want them to go, and (ii) showing them more benefits and features that you offer (not just what they stumble upon).

Design your Website for Easy Scanning

Help users to quickly understand your site and find what they need.

Make use of existing conventions i.e. common standards, designs or layouts. For example, a car's acceleration pedal is *always* to the right of the brake pedal. The STOP sign—with its distinctive octagon shape and red color—is also universally understood.

- Similarly, *there're conventions for webpages*, such as (i) where things are located (e.g. logos on the top-left corner, key navigation menu on the top or left), and (ii) familiar icons (e.g. shopping carts for ecommerce, magnifying glass for search bars).

- Conventions are widely-adopted because they work. *Don't break from convention just to be creative*. Follow conventions unless your alternative is (i) just as clear/intuitive to the users or (ii) adds so much value that it's worth the extra thinking/learning you're putting them through.

Use effective visual hierarchies. Clearly show the relationship between various elements on the page, i.e. which things are important, similar to, or are part of other things. We encounter such visual hierarchies every day, e.g. in magazine or newspapers headlines and columns.

KEY QUOTES

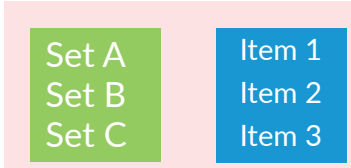
"We don't figure out how things work. We muddle through."

"For most of us, it doesn't matter to us whether we understand how things work, as long as we can use them. It's not for lack of intelligence, but for lack of caring."

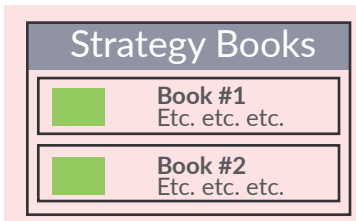
"Innovate when you know you have a better idea, but take advantage of conventions when you don't."

- Make *important items* more prominent, e.g. bigger, more colorful, higher on the page and/or with stronger contrast.

- Connect *similar/related* things visually, e.g. group similar content under a common heading, place them in a clearly-defined section or use the same design style/color.



- Show that something is a *sub-set* of another by inserting it directly within the parent section, e.g. place all strategy-related books under a "Strategy" section.



Format your content for easy scanning.

- Divide each page into *clearly-defined sub-sections* so users can quickly zoom in on the most relevant areas.
- Use *formatting*, such as different header levels (with corresponding font sizes), short paragraphs, bulleted lists and highlight the key words/phrases.

Make every click mindless and obvious (Law #2):

- *Make clickable elements evident*. Users will scan the page for what's clickable, e.g. buttons, menu bars, words with specific colors and underlining. Don't confuse them by using the same colored font for clickable and non-clickable headings.
- *Use unambiguous choices*. "Single-user or Multiple-users" is unambiguous but "Home or Office" isn't. If an unambiguous choice isn't possible, then guide users with form/tool tips that are (i) concise (with minimal info), (ii) timely (offered just when they need it), and (iii) unavoidable (i.e. they have to notice it).

Remove distractions or "noise" on your website. These include:

- *"Loud" pages* where everything shouts for the users' attention. If a page is full of exclamation marks, bright colors, fancy fonts types, animations and popups, the user won't know what to focus on.

KEY QUOTES

"The more important something is, the more prominent it is."

"Almost anything that can be a bulleted list probably should be."

"Shouting is usually the result of a failure to make tough decisions about which elements are really the most important and then create a visual hierarchy that guides users to them first."

- *Messy pages* that're so untidy and disorganized that it's hard to read or navigate.

- *Clutter* from unnecessary content which make it hard to find the useful stuff. Remove everything that doesn't really contribute to your page, including unnecessary words from:

  (i) Social talk or welcome/intro messages that don't convey anything useful.

  (ii) Lengthy instructions. If absolutely necessary, insert concise instructions only at the point where users will need them.

Navigation, Home Page and Testing

Navigation

Navigating a website is like looking for something in a huge departmental store.

- There're a few *similarities*:

  (i) People are usually looking for something specific;

  (ii) Some prefer to browse on their own first while others prefer to ask for help; and

  (iii) They'll leave if they can't find what they're looking for.

- However, there're also *differences*. Unlike in a physical store:

  (i) You can't tell how much of the website is unexplored;

  (ii) You don't have a physical sense of where you are on the site; and

  (iii) It's harder to return to a specific place in a website. Most people use the "Back" button, bookmarks (or stored personal shortcuts) and the Home Page (as a "base" to start afresh).

KEY QUOTES

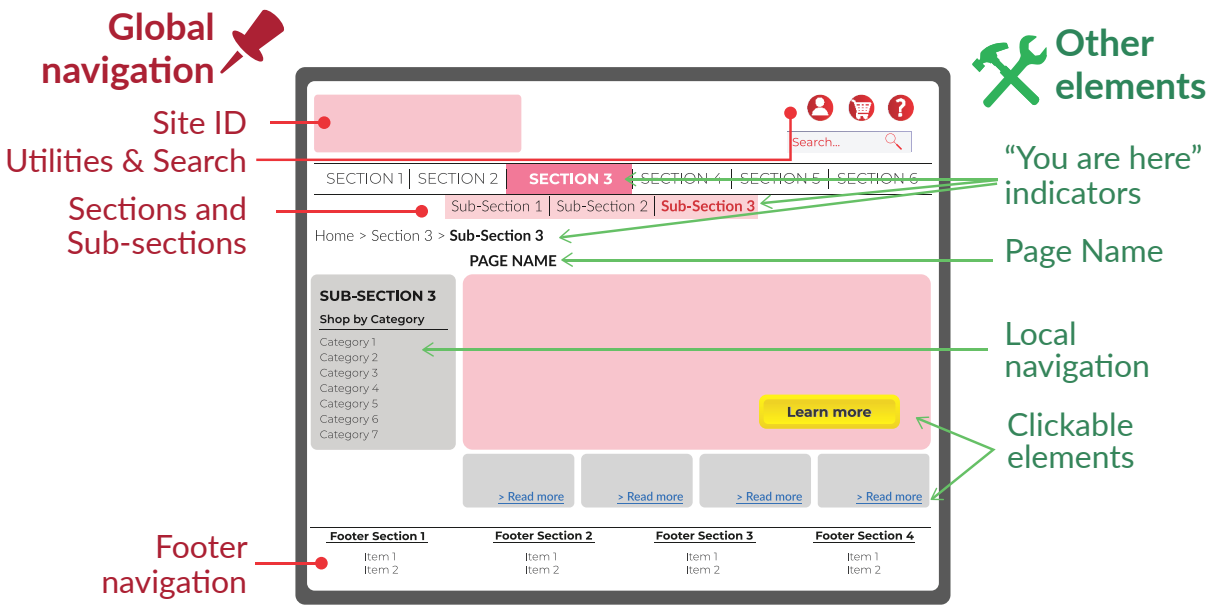
"In the face of limited time and attention, everything that's not part of the solution must go."

"Happy talk is like small talk… But most Web users don't have time for small talk; they want to get right to the point."

"It's a fact: People won't use your Web site if they can't find their way around it."

Web navigation serves 2 key goals: help users (i) find what they're looking for and (ii) know where they are on the site. Great navigation makes the site hierarchy clear, helps people to see what the site contains, how to use it (e.g. where to start and what options are available), and builds confidence in your brand.

We expect to find street signs at street junctions and corners, index pages in books, signs along supermarket aisles, etc. We feel frustrated when these expectations aren't met. Likewise, there are certain conventions for web navigation that users expect:



Global navigation (or persistent navigation) means having core navigation elements on *every* page of a site to provide a consistent experience. The only exception is when the user is filling up a form (e.g. to register or make a purchase).

- The *Site ID or logo* must appear consistently on every page so users know they're on your site. The Site ID usually doubles up as a Home page link, but you can still add an explicit link to "Home".

- *Sections* (or primary navigation) provide links to the key parts of your site. You can also include sub-sections (or secondary navigation) under each section.

- *Utilities* are links to other important webpages that aren't part of the main content hierarchy, e.g. login, shopping cart, search bar, about us, FAQs. Make them less prominent than the sections, include no more than 5 most-used utilities in the global navigation and put the rest in the footer.

KEY QUOTES

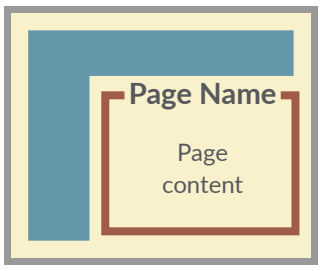
"Clear, well-thought-out navigation is one of the best opportunities a site has to create a good impression."

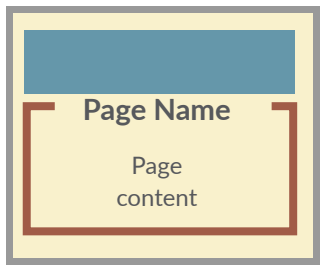
"It's vital to have sample pages that show the navigation for all the potential levels of the site before you start arguing about the color scheme."

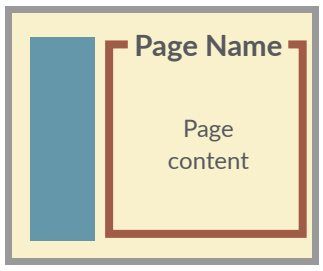
- Include a *search bar* or minimally provide a link to a search page. Keep it straightforward, e.g. label it "Search" (not "Find" or "Quick Search"). Only split the search further (e.g. "Search by authors" or "Search by title") if absolutely necessary.

- Most sites only display up to 2 levels of their content hierarchy. It's much better to work out and *show all levels* of the hierarchy.

Always have a **page name** for every page. This should (i) be prominent, (ii) match the link that was clicked (to minimize confusion), and (iii) be located such that it frames the page content.







Let users know "**you are here**" on the site by:

- Prominently *highlighting the sections/sub-sections* that they're at (e.g. using a pointer, bolding the text, using a different color for the text or button)

- *Using breadcrumbs* at the top of the page to tell users where they are relative to the Home page (e.g. Home > Store > Men's Clothes > **Pants**).

Tabs are easy to understand and can be designed to be prominent yet elegant. Make sure you use a strong color contrast and create a clear visual link between the tab and main content.

Since people can enter your website from any page (not just the Home page), you should **test the navigation** for your entire site:

- Imagine you've been blindfolded and suddenly open your eyes to face a random page on your website. You must be

KEY QUOTES

"Just as every corner should have a street sign, every page should have a name."

"Designers love subtle cues, because subtlety is one of the traits of sophisticated design. But Web users are generally in such a hurry that they routinely miss subtle cues."

able to instantly identify (i) what website this is (site ID), (ii) what page you're on (page name), (iii) what the key sections are (sections), (iv) what you can do at this level (local navigation), (v) where you are in the site, and (vi) how to search for what you need.

- Print out one of your pages and see if others can identify these elements at a glance: (i) site ID, (ii) page name, (iii) sections, (iv) local navigation, (v) "you are here", and (vi) search options.

Home Page

The Home page is one of the **most challenging** pages to design because you must fit in many things:

- It typically includes *elements* like your site ID and mission, site hierarchy, search functions, teasers/highlights (of key content, features and deals), shortcuts to commonly-used content/features, and registration or login forms.

- They must also meet different *users' objectives* by helping them to find what they're looking for, interest them with your offers, build trust/credibility, and show them where to start.

Many stakeholders will want to be featured on the Home page, but you mustn't clutter the page. Instead, the Home page must **give a clear, big-picture overview** of your site.

- Specifically, it must quickly answering these *4 questions*:

  (i) What is this site? [Site ID and mission]

  (ii) What can I find here? [Content]

  (iii) What can I do here? [Features]

  (iv) Why should I be here? [Value proposition]

- The *initial impression* formed within the few seconds will affect how the user interprets (or misinterprets) everything else on that page.

KEY QUOTES

"Preserving the Home page from promotional overload requires constant vigilance."

"We make snap judgments, but they tend to be a pretty reliable predictor of our more reasoned assessments."

- Most people will also return to the Home page to *orientate themselves*—what they see will affect if/how they use your site.

These 3 elements can be used to highlight the **key message** upfront:

- A *tagline* is normally found with your logo and sums up your value proposition. Great taglines are short (<6-8 words), clear and explain specifically what you do, e.g. "wheels when you want them" (Zipcar). An ideal tagline captures your differentiating factor and core benefit.

- A *welcome blurb* is a succinct description usually located on the top left of the content space e.g. "Founded in 1996, Idealab is the longest running technology incubator. We have created over 150 companies with more than 45 IPOs and acquisitions." Never use your corporate mission as the welcome blurb.

- A "*learn more*" button or link.

  It's ok to use more space to convey your key proposition, so long as the content is clear and succinct. Use pictures/videos and highlight only the most compelling content/features as teasers.

Once you've addressed the 4 questions, you must show the user **where to start**, e.g. to search, browse, get free samples, enjoy your promotions, or begin with Step 1 of a specific process. Ensure your entry points are distinct, e.g. your sections must look like sections, and your search bars must look like search bars. Label them clearly, e.g. "Browse by Category", "Search", "Sign in" or "Start free trial".

Test every element on your Home page. Do not rely on intuition or assumptions.

- Web teams often waste time/energy debating over design elements, e.g. whether to use pull-down bars or a certain layout. Every stakeholder (from the designer to the CEO) has personal preferences about web usage. We tend to assume that others share our preferences, and we argue over what the "average user" wants. In reality, web usage

KEY QUOTES

"If people are lost when they start out, they usually just keep getting...loster."

"Testing reminds you that not everyone thinks the way you do, knows what you know, and uses the Web the way you do."

"What works is good, integrated design that fills a need—carefully thought out, well executed, and tested."

is *quirky and unpredictable*. The best approach is to plan carefully then test if/how people actually use the elements.

- People also tend to *test the wrong things*, e.g. they test the design of a promo banner, only to realize that users aren't interested in the promotion at all.

How to do Usability Testing

What is usability testing?

- *Usability tests ≠ focus groups*. Focus groups are small groups of people who share their views/opinions about something. They may be useful in the *early* stages of planning to get ideas and feedback on your value proposition. On the other hand, usability tests are about watching how people use something (e.g. your website); they should be used at *all* stages of development, from prototype-testing to identifying/fixing specific problems.

- *Any testing is better than none*. A test earlier in a project is also many times more valuable than a test at the end of the project, since you'd have more time to use and apply the insights.

Professional testing can cost anything between $5-10k. However, you can do **DIY testing** for a fraction of the cost.

- Get your Web development team to spend just *1 morning a month* to do usability testing: do a test with 3 users, debrief over lunch, and decide what to fix before the next monthly test. The idea is to keep it simple so you have a fixed testing schedule that you're committed to. Agile development teams should do more frequent testing, e.g. 2x a month.

- Krug recommends a small sample size of just *3 users* for each testing. After all, you don't need to uncover all the problems or to prove something statistically. Your goal is simply to get actionable insights to improve your site every month.

- You can *use anyone for the tests*. In most cases, the problems faced by 1 user will apply to other users, so there's no need for participants to match your user profile exactly Usually,

KEY QUOTES

"People often test to decide which color drapes are best, only to learn that they forgot to put windows in the room."

"Testing always works, and even the worst test with the wrong user will show you important things you can do to improve your site."

"You can find more problems in half a day than you can fix in a month."

you can recruit participants (from Craigslist, social media, website popups etc.) for an incentive of about $50-100 for 1 hour.

- Involve as many *observers* as possible. Put them in a separate observation room where they can see the participant's screen and hear what's happening in the testing room. After each session, take a short break and get each observer to write down the top 3 usability problems they observed.

- If you're redesigning your website, start by testing *what currently works* or doesn't work before you make the changes. You can also get participants to test a competitor site for additional insights.

- Each month, select the specific *tasks and sub-tasks* you want the participants to do. For example, to test account-logins, they may need to create an account, change their password, retrieve a lost password etc. You can also instruct them with specific tasks like "Find a summary for a book you read recently" or "Find a strategy book for less than $15".

- Here's a sample *test session structure*. You can also consider alternatives such as (i) remote-testing (via screen-sharing) or (ii) unmoderated remote-testing (i.e. send people the task/links, then get them to record what they do).

Item	Description
Welcome (4 min)	Explain what to expect.
Questions (2 min)	Find out more about the participant
Home page (3 min)	Open your Home page and ask the participant for inputs. Assess if your page is easy to understand.
Tasks (35 min)	Observe the participants as they perform the assigned task(s). The facilitator can ask questions like "What are you thinking?" or "What are you doing now?". Don't say/do anything to influence guide them. If they ask for help, ask "What would you do if I wasn't here?"
Probe (5 min)	Ask questions to clarify what happened, and/or present questions from the observers.
Wrap up (5 min)	Thank the participant and pay them.

KEY QUOTES

- Do the *debrief* over lunch.

  (i) List the issues on a whiteboard: Get everyone to share the top 3 problems they observed over the 3 sessions. Agree on the 10 most serious problems and rate each one on a scale of 1-10.

  (ii) List the top 10 issues in order of seriousness. Discuss how you can address each one, including who to fix it and how. Start from the most serious item and keep going until you've enough items for the available time/ resources that month. Focus on the most serious items, but also include low-lying fruits can be easily fixed within 1 hour.

- *Useful tips*: Often, the solution is to remove/simplify an existing item, *not* add more stuff. If a user goes off-track but corrects himself without help or obvious frustration, the issue can be left alone. There's no need to fix a problem 100%; *any* improvement helps.

KEY QUOTES

"Focus ruthlessly on fixing the most serious problems first."

Other Considerations

Mobile Usability

Mobile growth exploded after Apple made it possible to scroll by swiping and to zoom in/out by "pinching" the screen. The **principles for usability** are generally similar for mobile and web. However, (i) you need to cater for a much smaller screen and (ii) there're fewer conventions since mobile technology is still evolving rapidly.

"Mobile devices meant cramped devices, squeezing Web pages the size of a sheet of paper into a screen the size of a postage stamp."

Fundamentally, mobile space constraints mean that you must make **tradeoffs**, i.e. decide what to leave out.

- One way is to *design for mobile users first* so you're forced to choose only the most vital content/features, before adding more content/features for the desktop version.

- You must still include all critical elements for the mobile version, but break up content into *sub-parts or levels* and

"Most of the challenges in creating good mobile usability boil down to making good tradeoffs."

prioritize them. People will have to tap/scroll more, but they're ok so long as each step is obvious and mindless.

Here are some **tips** you can apply immediately:

- Start with these *3 low-lying fruits*: (i) allow zooming on your website (so users can still view elements that are too small), (ii) ensure external links (emails, social media etc.) bring people directly to relevant parts of the site (not the Home page) and (iii) give the option to view the full website instead of the mobile version.

- *Make each element extremely clear*, e.g. use 3D buttons that're obviously clickable, outline boxes where people should type in. If you're using Flat design, you must deliberately create other forms of differentiation. If you use "hovering" in your Web design (e.g. drop-down menus that appear when the cursor is above a section), remember to find alternatives for mobile users since hovering doesn't work on touchscreens.

- *Speed*: make sure your pages load quickly.

Basically, users must easily figure out how to use your app without complex tutorials. Once they "get" it, they should easily remember or relearn it when they return. You can delight your customers with surprising features, but never do it at the expense of usability.

Usability-testing on mobile is similar to that on the web except for several logistical challenges, since the tools for web-testing are still not widely available on mobile. For example, it's harder for the facilitator/observers to see the user screen, and mobile screen-sharing is not widely available yet. Krug recommends:

- Pointing a camera at the mobile screen so you can capture both the screen and the users' fingers; and

- Attach the camera to the device so the user can hold it freely.

Other Factors and Influences

Every user has a **finite pool of goodwill** toward your brand. Each time you anticipate the user's needs and make him feel

KEY QUOTES

"Almost everything that's different when you're doing mobile testing isn't about the process; it's about logistics."

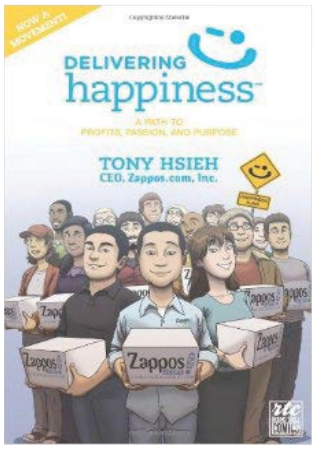
"There's another important component to usability: doing the right thing—being considerate of the user."

at ease, understood and competent, you increase the goodwill. Each time the user feels confused, unsure or faces an obstacle, the goodwill depletes.

Ideally, your website/app should be accessible for everyone, including those with disabilities. Even if you can't afford to develop customized solutions, you can start with 4 areas: (i) fix usability issues that affect everyone, (ii) include a few blind users in your usability-tests, (iii) read up on Web accessibility, and (iv) go for low-lying fruits, e.g. add alternate attributes for every image, use appropriate headings, use forms that work with screen readers, choose a web template that's designed to be accessible.

To convince your management to support usability improvements, you'd need to (i) show the returns on investment and (ii) present the benefits in their language (e.g. using their buzzwords or KPIs). A simpler way to start is to do a test on competitors (which is typically of interest to management), get the bosses to observe a usability test, or do your own test then share the results.

KEY QUOTES



DELIVERING HAPPINESS

A PATH TO PROFITS, PASSION AND PURPOSE

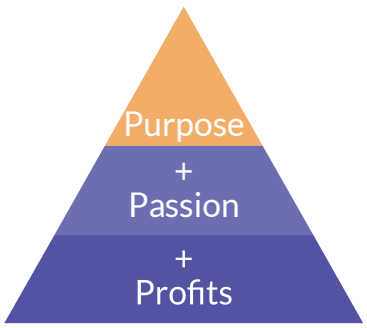
by Tony Hsieh

The Big "So What"

Tony Hsieh shares how he built Zappos from nothing to its eventual sale (or marriage) to Amazon for $1.2 billion. It's a valuable case study on:

- How to develop a successful start-up;
- How to create a happy workplace that generates sustainable returns for employees and the company; and
- How to follow your passions to create your own path to success

Introduction



Hsieh organized his book into 3 parts. In "Profits", he shared his entrepreneurship journey from childhood till he was in college. In "Profits and Passion", he details the business journey and insights as he brought Zappos from a struggling start-up to its acquisition by Amazon. In "Profits, Passion and Purpose", he shares how Zappos broadened its vision to Delivering Happiness to the world, before closing with how each of us can chart our personal path to happiness.

This summary is organized in 3 parts to present useful ideas from the book that can be applied:

- Personal insights from Hsieh's personal journey and philosophy
- Business insights from Zappos' success story
- Finding your Path: 4 Frameworks for Happiness

KEY QUOTES

"I decided to write this book to help people avoid making many of the same mistakes that I've made. I also hope that this book will serve as encouragement to established businesses as well as entrepreneurs who want to defy conventional wisdom and create their own paths to success."

"I thought about how easily we are all brainwashed by our society and culture to stop thinking and just assume by default that more money equals more success and more happiness, when ultimately happiness is really just about enjoying life."

1. Insights from Hsieh's personal journey

Hsieh is a masterful story-teller, and it is impossible to replicate his vivid stories through a summary. In this segment we provide a few highlights of his journey and his aha moments.

From young, Hsieh has had an entrepreneurial streak in him. From attempting an earthworm breeding business at the age of 9, to running garage sales, to trying his own newspaper to sell ads, to running a mail-order button business in middle school, to crowdsourcing for a study guide and selling pizzas in college, he has developed a real understanding of money, profits and what matters to him. He shares about each of these ventures in great detail and with a lot of humour. Through these stories, we get a glimpse into his learning experiences and insights, many of which also shape his philosophy and approach to business.

There were a few significant "aha" moments on Hsieh's journey:

The importance of company culture

In 1996, Hsieh co-founded LinkExchange, an internet advertising cooperative. During the first year, they hired friends and people who were attracted by the fun and excitement of what they were creating. The team was dynamic, close-knit and the company grew rapidly. As they grew beyond 25 employees, they started to hire people who were smart but more motivated by money and career growth, and the culture started to shift. By 1998, when the company was sold to Microsoft for US$265 million with about 100 staff, Hsieh realized that he was no longer enjoying his business. This was his first major lesson on the importance of company culture.

KEY QUOTES

"Envision, create and believe in your own universe, and the universe will form around you" – a stranger that Hsieh met at a party."

"I'd realized that whether in poker, in business, or in life, it was easy to get caught up and engrossed in what I was currently doing, and that made it easy to forget that I always had the option to change tables…Without conscious and deliberate effort, inertia always wins."

"I didn't know it at the time, but ten years later I would learn that… the combination of physical synchrony with other humans and being part of something bigger than oneself (and thus losing momentarily a sense of self) leads to a greater sense of happiness." – Hsieh on his experience with rave culture

Discovering his passions and path

Like most people, Hsieh discovered his true passions through real-life experience. Hsieh left his job at Oracle after 5 months (because he was bored) to focus on a web-design business. He learned quickly that he didn't enjoy web design either, and moved on to start Link Exchange, which was sold to Microsoft in 1998.

By early 1999, Hsieh decided to forgo a large sum of money to leave Microsoft and pursue his passions. "I didn't realize it at the time, but it was a turning point for me in my life. I had decided to stop chasing the money, and start chasing the passion."

He moved on to start Venture Frogs, a $27 million investment fund (of which Zappos was one of the investments). Hsieh lost a lot of money in investments, the stock market, movies, etc., but learned more about himself, his passions and business along the way. He drew many parallels between business and poker (something he got interested in for a while), and shared one of his key insights about business and life: "I learned that the most important decision I could make was which table to sit at. This included knowing when to change tables...In business, one of the most important decisions for an entrepreneur or a CEO to make is what business to be in."

The power of Connectedness

When planning for his 26th birthday party, Hsieh had a transformational experience at a party, when he experienced a profound sense of connection with the other people and the rest of the universe.

He was exposed to "rave culture", a youth-oriented subculture that blends music, art and social ideals. In the process, he learned how to be genuinely interested in other people, with no hidden motives. "The rave culture was a reminder that it was possible for the world to be a better place, for people to simply be appreciative of the humanity in one another".

KEY QUOTES

2. The Zappos Story: Lessons for Business

In many ways, Zappos is an embodiment of Hsieh's values and passions. Hsieh details how he and his partners successfully grew Zappos from scratch to achieving annual gross merchandise sales of over $1 billion. The company also has a set of distinctive and integrated core values that permeates all levels of the organization, and extends its open, honest and collaborative approach to all of its stakeholders.

Zappos went through its share of challenges, especially in the first 2 years of business. Hsieh and his partners struggled to find the right business model, and grappled with problems of cash-flow, inventory, logistics etc. Hsieh attributes Zappos' success to their initial investment and focus in 3 areas: customer service, culture and training.

Customer Service

Repeat customers and word-of-mouth are the key drivers for Zappos' growth today, and this foundation is built through its commitment to customer service.

Top 10 Ways to Instill Customer Service Into Your Company

A commitment to customer-service comes from the top, and must be a priority for the whole company, not just one department.

Build WOW into your company's daily vocabulary.

Trust that your customer service reps want to provide great service, and empower them to do so.

Make it ok to fire customers who are insatiable or abuse your employees.

KEY QUOTES

"Looking back, a big reason we hit our goal early was that we decided to invest our time, money ad resources into three key areas: customer service (which would build our brand and drive word of mouth), culture (which would lead to the formation of our core values), and employee training and development (which would eventually lead to the creation of our Pipeline Team)."

Customer experience

"As unsexy and low-tech as it may sound, our belief is that the telephone is one of the best branding devices out there. You have the customer's undivided attention for five to ten minutes, and if you get the interaction right, what we've found is that the customer remembers the experience for a very long time and tells his or her friends about it."

Display your 1-800 number prominently – send the right message to your customers and employees.

View each client's call as an investment in your brand, not as an expense to minimize.

Don't focus on call times and upselling, and don't use scripts.

Celebrate great service and tell WOW stories in the whole company.

Find and hire people who are passionate about great service.

Extend great service to everyone, including customers, employees and vendors.

Zappos views customer service as an integral part of their brand, and believes that marketing should be about building engagement and trust (especially post-sale) rather than just generating buzz. Some examples of its exceptional service include: free shipping both ways (to deliver the shoes to customers and for customers to return shoes they have tried but don't like) and their 365-day return policy.

While many of its measures are costly, Zappos views them as a marketing investment that creates an emotional connection with customers, generates word-of-mouth marketing and increases the lifetime value of customers.

Culture

With internet, everything has become transparent. The best way to develop an authentic brand is to ensure that your company's brand and culture are one and the same, i.e. everyone in the company genuinely embraces the core values as an integral part of their lives.

KEY QUOTES

Culture

"We believe that your company's culture and your company's brand are really just two sides of the same coin. The brand may lag the culture at first, but eventually it will catch up. Your culture is your brand."

Zappos' 10 core values were not defined by the founders, but derived from a feedback process to identify what Zappos really meant to each employee. Hsieh spends over 30 pages sharing about each of these 10 core values and how they are brought to life at Zappos.

Zappos' Ten Core Values

1. Deliver WOW Through Service.
2. Embrace And Drive Change.
3. Create Fun And A Little Weirdness.
4. Be Adventurous, Creative And Open-Minded.
5. Pursue Growth And Learning.
6. Build Open And Honest Relationships With Communication.
7. Build A Positive Team And Family Spirit.
8. Do More With Less.
9. Be Passionate And Determined.
10. Be Humble.

Hsieh shares many examples of how Zappos' culture is reinforced and communicated, from designing a central reception area that all employees will pass through (hence increasing interaction), to offering tours of their HQ, to "the face game" to help employees know one another, to regular surveys, to creating a library for employees to read and learn etc. It doesn't matter if these values are directly relevant to your company; his message is this: Commit fully to your core values, until they are the default way that your organization thinks and acts.

Hsieh also shares several unique ways in which Zappos' culture is shaped and strengthened:

The Zappos Culture Book

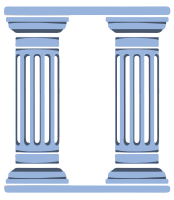
This book captures Zappos' culture and values, based on contributions by Zappos' employees, vendors, customers and partners. True to Zappos' belief in transparency, none of the entries are censored or edited (save for typos), and the book is made available to not just employees, but also

KEY QUOTES

"As it turns out, it doesn't actually matter what your company's core values are. What matters is that you have them and that you commit to them. What's important is the alignment that you get from them when they become the default way of thinking for the entire organization."

"Your personal core values define who you are, and a company's core values ultimately define the company's character and brand."

members of the public. Over time, this has become a way for employees to freely express themselves, and is a good documentation of how the culture evolves over time. Hsieh includes a segment on how to develop your own culture book (if this is something you resonate with).



Hiring right and training

are both key elements to building and maintaining the culture at Zappos.

- Candidates are only accepted into Zappos if they pass 2 tests: having the right experience, technical ability, team fit etc. (assessed by the hiring manager) and having the right culture fit (assessed by the HR department).
- Every employee, regardless of their department, goes through same 4-week training program. To weed out those who are there for the wrong reasons, all candidates are offered $2,000 to quit after the 1st week of training till the end of the 4th week.

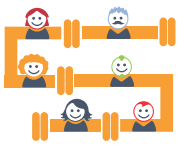
Hsieh highlights the importance of committing to your core values, such that "you're willing to hire and fire based on them."

Alignment across all stakeholders

Hsieh shares various stories and examples to show the importance of aligning all stakeholders – from employees to customers, vendors and even the Board of Directors. Hsieh shared in detail (including internal emails) to show how they held true to their values of openness and honesty when handling a round of layoffs in 2008 and announcing their acquisition by Amazon in 2009.

KEY QUOTES

Employee Training and Development



Zappos' commitment to its core value of Growth and Learning has led to the creation of their pipeline concept. Rather than focus on individual talents, they develop pipelines of people in every department, with various skills and experience. They aim to hire passionate people at an entry level, and grow them internally, with the opportunity to be a senior leader in 5-7 years. Books and courses are offered by their Pipeline Team to develop their staff.

Purpose: Going Beyond Profits and Passion

- As Zappos grew, there were more and more public speaking opportunities for Hsieh to share about his and Zappos' success.

  Over time, Hsieh has adopted 3 basic rules for his talks which helped him to stay in flow and deliver the most impactful speeches:
  - Be passionate (he'll decline topics that he's not passionate about)
  - Tell personal stories
  - Be real

- Staying true to Zappos' core value of Pursuing Growth and Learning, he focuses on using the speaking engagements to help the audience to grow and learn, rather than to promote Zappos. Hsieh and his team soon realized that they were helping to change other companies and people's lives, and expanded their materials into Zappos Insights and Zappos Insights Live. In 2009, they expanded their vision to a simple but powerful statement: "Zappos is about delivering happiness to the world".

KEY QUOTES

Pipeline Team

"Rather than focusing on individuals as assets, we instead focus on building as our asset a pipeline of people in every single department with varying levels of skills and experience."

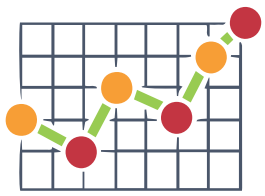
3. Finding Your Path to Happiness

Hsieh ends his book by shifting the attention to the reader and the psychology behind happiness. He summarises his research and the ideas that have helped him to find his own path.

Framework 1: Happiness Ingredients

There are essentially 4 key ingredients to happiness, and Hsieh shares how Zappos builds each of these ingredients into its organization:

Perceived control



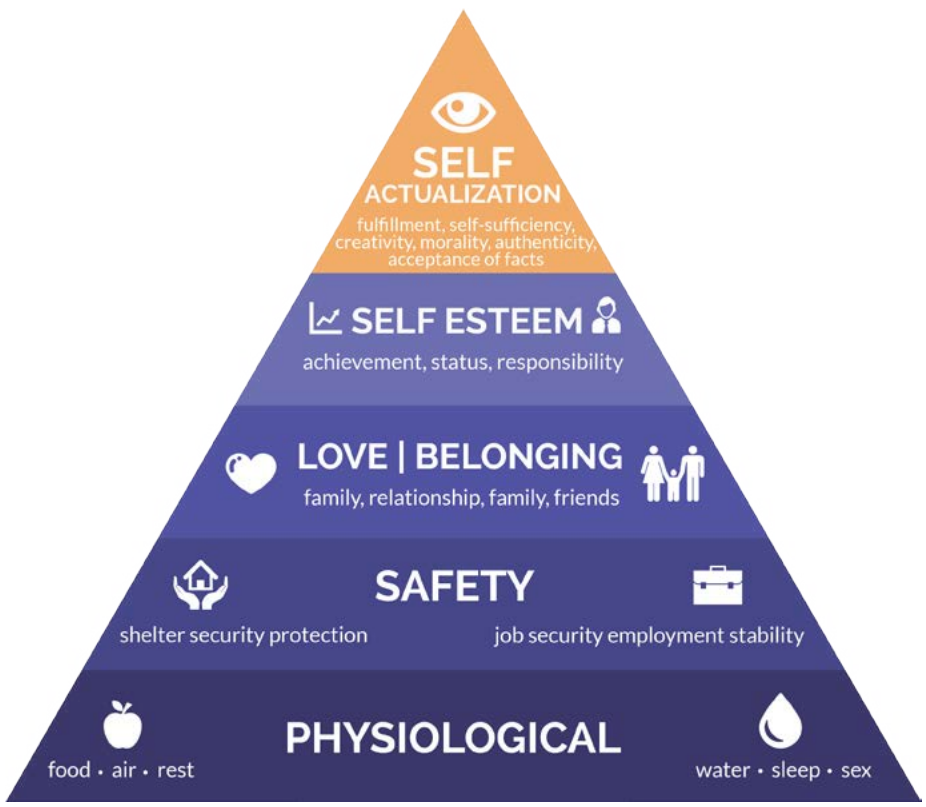
Perceived progress

Connectedness
(Number & depth of relationships)

Vision/ meaning
(being part of something bigger than yourself)

Framework 2: Serving Business Stakeholders' Needs

We can apply Maslow's Hierarchy to better serve the needs of our stakeholders in business.



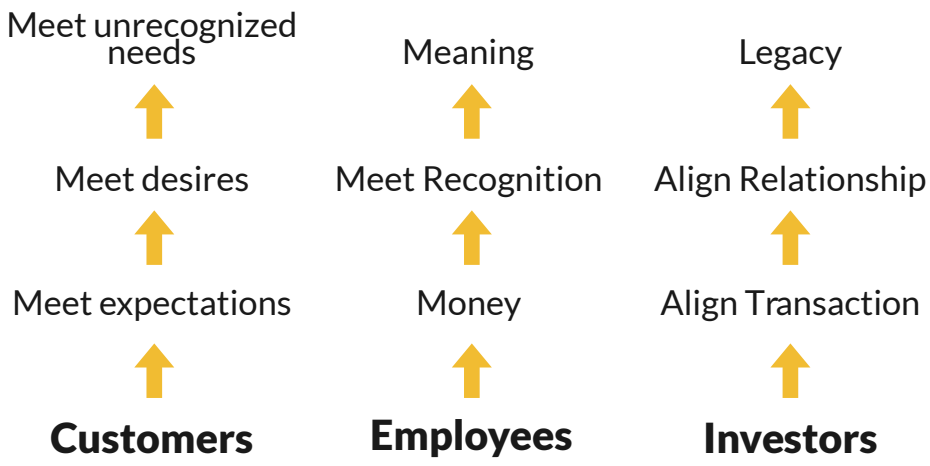
KEY QUOTES

"If you just focus on making sure that your product or service continually WOWs people, eventually the press will find out about it."

"As we rolled out these additional services, we slowly realized that we were becoming part of a bigger movement. It was no longer just about Zappos. We were helping to change the world."

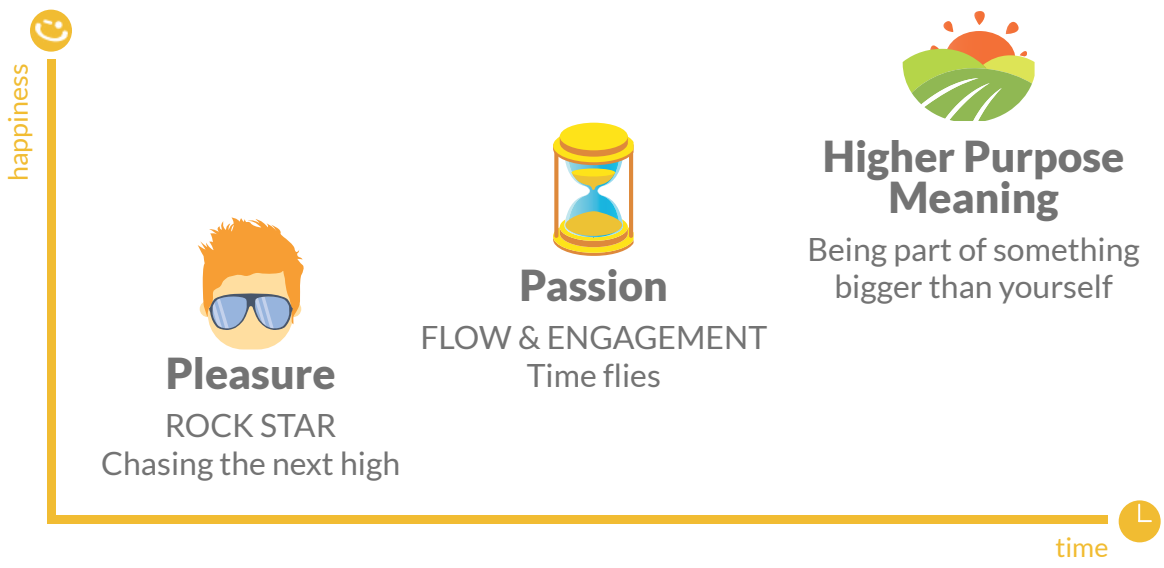
Happiness

"In the end, it turns out that we're all taking different paths in pursuit off the same goal: happiness."

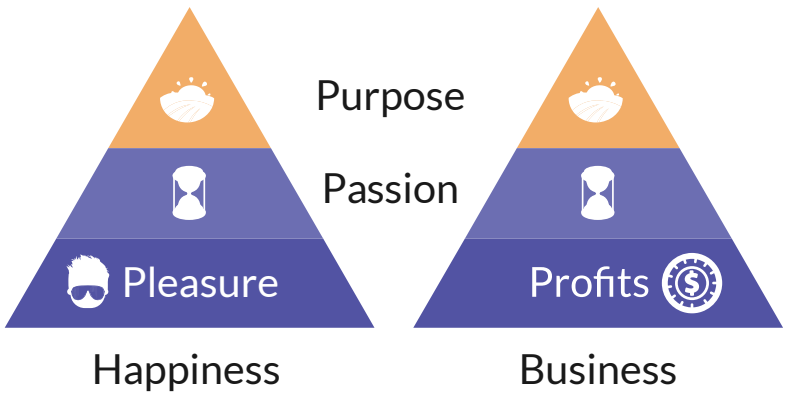


Framework 3: Types of Happiness

There are 3 types of happiness. Since achievement of higher purpose brings the most lasting form of happiness, we should start focusing there, and layer it on top of passion and pleasure.



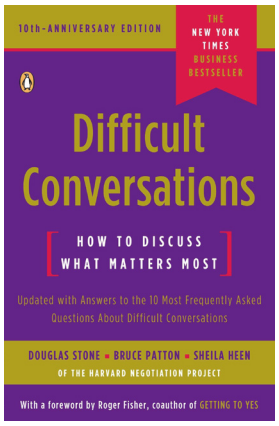
Framework 4: Parallels of Happiness and a Great Business



Hsieh shares the parallel between what makes people happy and what builds sustainable companies. He recommends using happiness as a guiding principle to build great, long-term organizations.

KEY QUOTES

"I wanted to write this book… to contribute to a happiness movement to help make the world a better place."



DIFFICULT CONVERSATIONS

How to Discuss What Matters Most

Douglas Stone, Bruce Patton and Sheila Heen

The Big "So What"

Difficult conversations are a normal, unavoidable part of our personal and professional lives. Yet, most people dread having them since such conversations—if not properly handled—can make things worse. This book equips us with the skills and steps to handle difficult conversations in a way that fosters understanding and effective problem-solving.

Introduction

A **difficult conversation** is anything you have difficulty talking about, e.g. ending a relationship, asking for a pay-raise, or addressing a hurtful behavior.

Every difficult conversation follows a certain structure. Specifically, there are **3 types of difficult conversations** that present different issues and complications:

- The "What happened?" conversation;
- The Feelings conversation; and
- The Identity conversation.

Often, we enter a conversation to deliver a message, e.g. to prove a point or get others to do what we want. Issues arise because each party focuses on his/her own agenda and viewpoint. To **handle difficult conversations effectively**, you must:

- Shift your goal from persuasion to learning; and
- Learn how to manage the 3 types of conversations.

KEY QUOTES

"Delivering a difficult message is like throwing a hand grenade…there's no way to throw a hand grenade with tact or to outrun the consequences…Choosing not to deliver a difficult message is like hanging on to a hand grenade once you've pulled the pin."

"At heart, the problem isn't in your actions, it's in your thinking."

"To make the structure of a difficult conversation visible, we need to understand not only what is said, but also what is not said."

In this summary, we'll start by zooming in on the 3 types of difficult conversations, before explaining how to create a learning conversation.

The "What Happened?" Conversation

This conversation centers around different views about what happened (or should happen), who's right, who's to blame etc. We each feel that our viewpoint is correct, when in reality we make wrong assumptions on 3 fronts:

Truth: We assume that "I'm right and you're wrong" when most difficult conversations are really about conflicts in subjective values or perceptions. For example, "you're too inexperienced" or "you're driving too fast" are not facts; they're merely opinions.

Intention: We assume we know the intention behind the other party's action or non-action, when we may be totally wrong, e.g. you think your colleague is shouting to humiliate you, when he's just trying to make himself heard above the noise.

Blame: We're quick to blame others, which blocks us from examining other factors (including ourselves) that may have contributed to the situation.

Let's break down these 3 issues in detail and how to address them.

Uncovering the Truth

Don't argue about who's right. *Do* explore each other's stories.

Why we argue and why it's counter-productive.

- Logically, we may agree that there're 2 sides to a story. But deep inside, *we each believe our story is the "right" one* and the problem lies with the other person. When you assume someone is naive, you may try to "teach" him the truth. He in turn assumes that you're an arrogant know-it-all. The argument leads nowhere and the relationship is damaged.

KEY QUOTES

"Difficult conversations are almost never about getting the facts right. They are about conflicting perceptions, interpretations, and values...They are not about what is true, they are about what is important."

"We all have different stories about the world because we each take in different information and then interpret this information in our own unique ways."

- In reality, we all have *different stories and perceptions* about the world because:

  (i) We have *different information*: First, we filter information differently, e.g. an artist may look for different things from an analyst, an observer sees a situation differently from the person-in-charge. Second, no one can know your complex inner state (e.g. your hopes, dreams, fears, constraints) better than you do.

  (ii) We *interpret the same info differently* due to our past experiences (e.g. upbringing, traumas) and different implicit rules about how the world works (e.g. "boys mustn't cry" and "you should squeeze the toothpaste from the bottom of the tube").

  (iii) We're *biased toward our self-interests*, paying more attention to data and conclusions that fit our interests and beliefs.

Shift from certainty to curiosity. Start by acknowledging that you don't have all the facts/info. Be curious about the other person's story as well as your own (including the assumptions underlying your story and responses). Your goal is not to decide who's right or wrong; it's to understand where you're each coming from so you can jointly move forward.

- *Use the "And Stance"*. It doesn't have to be either your story *or* theirs. Learn to embrace your story *and* theirs. For example, Jane made a mistake *and* you made things worse; you hurt Tim *and* he embarrassed you publicly. Seek to understand their story instead of simply accepting or rejecting it.

- *You can be curious in any situation*, even if:

  (i) You're factually right. For example, you may be right that smoking is bad for your son. But in an argument about why he should quit, the crux isn't about whether smoking is good or bad. It's about understanding each other's stories: why he feels the need to smoke, why you're so upset about him smoking, etc.

  (ii) You're sharing bad news (e.g. firing someone or ending a contract). Being curious about the other

KEY QUOTES

"Things don't change, because each is waiting for the other to change."

"Certainty locks us out of their story; curiosity lets us in."

"Because you may have different information or different interpretations, both stories can make sense at the same time."

"Remember, understanding the other person's story doesn't mean you have to agree with it, nor does it require you to give up your own."

person's story doesn't mean you have to agree with it. You can be both curious *and* firm about your decision.

Clarifying Intentions

Don't assume they intended the bad outcomes. *Do* separate the intent of their actions from the impact.

✕ We make **2 common mistakes**:

- *We make wrong assumptions about others' intentions*. First, we tend to attribute intentions based on their impact, e.g. if we feel hurt, we'll assume the other person *meant* to hurt us. Second, we assume the worst of others but the best of ourselves, e.g. if your staff forgot to submit a report, she's careless; but if you forgot the report, you're just overworked. Such assumptions hurt our relationships because:

  (i) We assume bad outcomes are due to bad intentions, and assume bad intentions are due to bad character. For example, if assume your husband meant to hurt you because he's selfish, then you'll go on to judge *everything* he says/does based on that assumption.

  (ii) When we accuse others, they get *defensive*.

  (iii) In fact, our assumptions can become *self-fulfilling*, e.g. if you assume your boss doesn't trust you with responsibilities, you may get demotivated and your lackluster performance eventually leads to your boss giving you less responsibility.

- *Good intentions don't negate the bad impact*. When someone accuses us of bad intentions, we intuitively try to clarify (e.g. "I was only trying to help"). This backfires because:

  (i) We miss what they're really saying. When someone says, "Why did you do this to hurt me?", he's actually saying that (a) you intended to hurt him and (b) he's hurt. When you clarify your intentions, you only address the 1st message and neglect the 2nd one.

KEY QUOTES

"Once we think we have someone figured out, we see all of their actions through that lens, and the stakes rise."

"Often we say 'You intended to hurt me' when what we really mean is 'You don't care enough about me.' This is an important distinction."

(ii) We over-simplify our motivations. In reality, our intentions are never purely "good" or "bad" and we may not even be aware of our own complex motivations.

In short, what you intended doesn't matter as much as how the other person ended up feeling.

☑ To avoid the 2 mistakes:

- *Separate impact from intent*. Recognize that your view is just a hypothesis that should be validated.

  (i) Ask yourself 3 questions to gain clarity: (a) What did he/she actually say/do? (b) How did that impact you? and (c) What assumption did you make about his/her intentions?

  (ii) Check your hypothesis: state specifically what the person did, how it impacted you, and explain your assumption about their intentions, making it clear you're only seeking clarity or confirmation (not stating it as a truth). It's perfectly normal for the other person to be somewhat defensive, so prepared to clarify you're only trying to uncover what happened.

- *Acknowledge the other person's feelings* before you address your intentions. *Review your own intentions* and be open to the idea that they were complex instead of 100% good.

Shifting away from the blame-game

When something bad happens, we often start blaming one another. This stops us from learning what's truly behind the problem and how to correct it. *Don't* focus on blame. *Do* map out the contribution system.

Focus on contribution, not blame.

- *Blame* is about judging if someone caused a problem in the past and if/how they should be punished. Pinning the blame on 1 person rarely solves the problem since there're always multiple contributors. For instance, an employee who takes bribes from a supplier is clearly at fault. But firing the person won't address other contributing factors

KEY QUOTES

"The more you can relieve the other person of the need to defend themselves, the easier it becomes for them to take in what you are saying."

"Once we think we have someone figured out, we see all of their actions through that lens, and the stakes rise."

"Talking about blame distracts us from exploring why things went wrong and how we might correct them going forward."

like the hiring process, lack of internal checks and balances, cultural norms etc.

- *Contribution* is about diagnosing how various parties and factors contributed to an outcome. It helps us to uncover what really happened and how to improve the situation. For example, there're always many contributing factors when a spouse cheats. Without understanding those factors, you can't improve the relationship. Remember:

  (i) The goal is to seek understanding, not assign blame.

  (ii) We're often more interested to have our feelings acknowledged, i.e. to hear the other person say "I'm sorry I hurt you" rather than "It was my fault".

  (iii) Don't blame the victim. Just because someone contributed to their own problem doesn't mean they're to blame. If you were mugged in a dark alley late at night, you'd have contributed to the situation but you aren't to blame for it.

KEY QUOTES

"Blame is about judging and contribution is about understanding."

"Understanding is the goal, not assigning percentages."

Map out the contribution system:

- *Consider 4 ways you may have contributed to a problem*:

  (i) Avoiding the problem till now

  (ii) Being unapproachable

  (iii) Shutting down a discussion when things get heated up

  (iv) Imposing your implicit role assumptions on others

- *Use 2 approaches to identify your own contribution*:

  (i) Role reversal: put yourself in the other person's shoes

  (ii) Look at the situation as a neutral third party

The Feelings Conversation

Feelings are often at the heart of difficult conversations. They influence our thoughts and actions. Avoiding them will only lead to more hurt and misunderstanding.

"Difficult conversations do not just involve feelings, they are at their very core about feelings."

In difficult conversations, we often try to hide our feelings and stay rational, e.g. you may pretend to have a professional discussion with your boss about the new team structure when you're silently upset that he promoted your colleague over you. **Bottling up your feelings will only backfire**.

- Your feelings will *leak out* in your tone of voice or body language. Or, they may explode in destructive or embarrassing ways.

- Unexpressed feelings *distract us* from fully listening or expressing ourselves. They can lead to a loss of confidence in the long run.

Handling feelings in difficult conversations

Use these 3 guidelines to constructively express your feelings.

Sort out what you really feel. Our feelings come in complex bundles and we may not be aware of (or willing to face) some of them.

- *Examine your emotional footprint*. All of us are more comfortable with some feelings than others. The pattern may differ for different relationships. Reflect on the feelings you find hard to express, and why. Remember: it's normal to have feelings. Your feelings don't define who you are, e.g. "bad" feelings like anger or jealousy don't make you a bad person. Don't hide your feelings—they're just as important as others' and hiding them will only weaken (not protect) your relationships.

- *Dissect singular feelings* to uncover your full bundle of feelings. You may think you're angry at your child for lying, when you're actually also feeling disappointed, guilty, unsure and sad. By recognizing the full spectrum of feelings, you can gain insights about the situation or relationship, and express yourself fully.

Negotiate with your emotions. Your thoughts affect your feelings. When you change your perceptions, your feelings will change too.

KEY QUOTES

"Feelings are too powerful to remain peacefully bottled. They will be heard one way or another."

"It's hard to hear someone else when we are feeling unheard, even if the reason we feel unheard is that we have chosen not to share."

"By keeping your feelings out of the relationship you are keeping an important part of yourself out of the relationship."

- *Re-examine* your story and theirs, question your assumptions and consider the wider contribution system. This should lessen your antagonistic feelings toward the other person.

- Make it a point to *acknowledge the other person's feelings*, e.g. "I didn't realize you felt that way". Don't gloss over it to focus on the problem, or try to "fix" the feelings.

Share your feelings, not your assumptions about the other person.

- We often *confuse our feelings* (e.g. insecurity) with judgments ("you should've been there for me"), attributions ("you betrayed me"), problem-solving ("it'd have worked if you did this") and characterizations ("you're so selfish"). When you feel the urge to blame someone, it signals that there are important emotions driving you.

- *Describe your emotions without being emotional*. Link the feelings back to the problem. Express your full range of feelings, e.g. you're angry but also appreciative and worried. Begin with the words "I feel..." to focus on expressing your feelings without judgment, blame or attribution.

The Identity Conversation

During difficult conversations, we're constantly asking ourselves, "what does this say about me?" We seek to protect our sense of self. For example, a pay-raise discussion isn't just about the money; it's really about your self-worth and self-image.

When someone says something that raises questions about our identity, we get **thrown off-balance**, making it hard to think clearly or communicate effectively.

- Difficult conversations bring up *3 key identity issues*: (i) Am I competent? (ii) Am I a good person? (iii) Am I worthy of love?

- We tend to adopt an *"all-or-nothing" approach*, e.g. you're good *or* bad, generous *or* greedy, competent *or* useless. This leads us to respond in 2 extreme ways:

KEY QUOTES

"The route to changing your feelings is through altering your thinking."

"Understanding feelings, talking about feelings, managing feelings—these are among the greatest challenges of being human."

"You'll be astounded how often difficult conversations are wrapped up in both people reacting to what the conversation seems to be saying about them."

(i) We *deny* the feedback to protect our sense of self (e.g. "he's criticizing my work because he doesn't understand it"); or

(ii) We *exaggerate* the feedback and change our self-image (e.g. "he's right...I'm totally useless").

In a difficult conversation, you'll inevitably hear unpleasant things about yourself. It helps to anchor your identity in advance:

- *Know the identity issues* that matter most to you. Look for recurring patterns when you feel off-balance in difficult conversations. Do you respond most strongly when certain aspects of your identity are threatened?

- Use the "And Stance" to *acknowledge your complex identity*. For example, you can be loyal *and* leave your job for a better career opportunity. Accept that you *will* inevitably (i) make mistakes, (ii) have a mix of good and not-so-good intentions, and (iii) have contributed to the problem in some way.

Remember these 4 tips:

- *Don't try to control others' responses*. Even if you want to avoid upsetting the other party, you really can't control their feelings. Trying to do so will only backfire. Use the "And stance": enter the conversation with the goal of addressing an issue *and* expressing your feelings *and* giving them the space to feel what they feel.

- *Prepare for possible responses*. Imagine how the conversation may play out, what you may learn, how the other person may respond, and the possible identity issues it may trigger.

- *Project into the future* (say, 30 years from now). What advice would your future self give about your current situation?

- If you're feeling overwhelmed, *take a break* to regain your balance. It's ok to say "I'm really surprised by what you've just shared. I'd like some time to think about it." If the issue is relevant to both sides, lay out explicitly, e.g. "I get the sense that this all boils down to whether I'm being a good boss. Is this how you feel as well?"

KEY QUOTES

"No one is always anything. We each exhibit a constellation of qualities, positive and negative."

"Don't measure the success of the conversation by whether or not they get upset."

Create a Learning Conversation

Now that you understand the challenges associated with the 3 conversations, here are the steps for preparing for and navigating a difficult conversation.

1. Prepare by considering the 3 conversations

Take time out to walk through the 3 conversations.

What Happened?			Feelings	Identity Issues
Stories	Impact/Intent	Contribution		
My story?	*My intentions?*	*How did I contribute?*		
	Impact on me?			
His story?	*His intentions?*	*How did he contribute?*		
	Impact on him?			

Unravel what happened by considering: (i) your respective stories and where they came from, (ii) the impact and possible intentions on both sides, (iii) how each of you (and other third parties) contributed to the problem.

Understand your feelings: explore your emotional footprint and examine your complex spectrum/bundle of emotions.

Anchor your identity: clarify what aspects of your identity are threatened and how you can be more grounded.

2. Know your Purpose → Decide if you should raise the issue

Get clear on your purpose for initiating a conversation, and what you hope to achieve from it.

- You should *start a conversation to gain mutual understanding*. Adopt a learning stance with 3 purposes in mind:

  (i) Understand their story (perceptions, feelings, constraints)

KEY QUOTES

"The paradox is that trying to change someone rarely results in change. On the other hand, engaging someone in a conversation where mutual learning is the goal often results in change."

(ii) Express your emotions and viewpoints

(iii) Find ways to jointly solve the problem or move forward.

- *Do not start a conversation if*:

  (i) The real conflict is within you rather than between you and the other person.

  (ii) There are better ways to resolve the issue, e.g. by changing your own contribution.

  (iii) Your purpose isn't a good one. This includes (a) trying to change the other person, (b) using the conversation to vent or get emotional release, or (c) doing a hit-and-run. If you're going to talk, then plan in advance and do it properly; otherwise, don't do it at all.

Sometimes despite your best efforts, the best approach is to simply **let go**. Help yourself to get over it with 4 liberating assumptions:

- You're responsible for doing your best, not to make things better.
- The other person has limitations and imperfections too.
- The conflict doesn't define who you are.
- You can let go and still care for the other person.

3. Start from the Third Story

Begin with the Third Story, i.e. what a **neutral third-party** (e.g. a mutual friend or a marriage counselor) may observe.

- *Do not* start from your own story (i.e. describe the problem from your perspective) or trigger identity issues by implying things about them or their character.

- *Do think like a mediator*: see/describe the problem in a way that's simultaneously true for both sides.

  (i) Your views are simply different (not better or worse). Both sides can hear each other out without giving up your own views. Even if you still disagree, you'll have

KEY QUOTES

"If you're going to talk, talk. Really talk...you can't do it on the fly."

a better mutual understanding and a higher chance of finding a viable way forward.

(ii) Describe the gap in your stories objectively without judgment, e.g. "We seem to have different views about project management. You prefer to manage the details personally while I prefer to delegate the details to other team members."

- Even *if the other party initiates* the conversation, you can still steer it toward the Third Story.

Share your purpose and extend an invitation. Explain your aim of mutual understanding and problem solving, then invite them to partner with you to figure things out.

- You can say something like: "I sense that we each see the situation differently. I'd like to share my perspective and to learn more about yours." Use phrases like "Can you help me to understand...." or "Let's work out how we can..."

- Be persistent to show you have both parties' interests at heart, but don't force them to engage. You can even share your internal conflict, e.g. "In my own story, I assume that you're being selfish, but that seems unfair and I'm hoping you can help me get a better perspective."

4. Explore Their Story and Yours

Take turns to explore the 3 conversations from your respective viewpoints. Specifically:

- Explore the *source of your story* (e.g. "My reactions probably stemmed from a similar incident with my previous boss....").

- Share the *impact* on you (e.g. "I felt really uneasy when....").

- Take responsibility for your *contribution* (e.g. "I suspect I made things worse when I...").

- Describe your *feelings* (e.g. "It was really hard for me to bring this up, but I felt that we should talk about it....")

KEY QUOTES

"Changing our stance means inviting the other person into the conversation with us, to help us figure things out."

- Examine *identity* issues (e.g. "I probably feel so strongly about this because I've always considered myself to be...")

Listen from the inside out. When you truly listen to the other person, (i) it helps you to understand them, and (ii) once they feel heard/understood, it helps them to listen to you.

- *Manage your inner voice*. Be aware of the things you're thinking but not saying (e.g. "That's unfair", "How dare you say this"). Acknowledge that voice, then remind yourself to stay curious since you don't know as much as you think you do. If you can't quieten the inner voice, then talk about it, e.g. "I really want to hear what you have to say, but I'm feeling a bit defensive at the moment and it's affecting my ability to listen fully."

- *Use inquiry for learning*. Don't use questions (a) to make a statement (e.g. "Must you drive so fast?") or (b) poke holes at their argument (e.g. "If you did your best, then why did Tom resolve the issue so quickly once he took over?"). Do (a) ask open-ended questions (e.g. "What did you have in mind?"), (b) ask for concrete info (e.g. "Can you share an example?"), and (c) ask questions about the 3 conversations (e.g. their assumptions, feelings, and how your actions impacted them).

- *Use paraphrasing for clarity*. Paraphrase what they said to ensure you've understood them, and to show you've heard them.

- *Listen out for their feelings and acknowledge them*. When people express their feelings, they're really asking: "Do you understand how I feel? Do you care?" Always acknowledge feelings before you move into problem-solving.

Express yourself, clearly and powerfully. This requires that you have a clear purpose and know you're sharing something worthwhile.

- Know that you're *entitled* to express yourself but your entitlement is no more or less than the other person.

- Don't beat around the bush or make them guess what you mean. Use the "Me-Me And" approach to *get to the heart of the matter*, e.g. "I think you're really capable, and I think you're not putting enough effort into this project."

KEY QUOTES

"We have a deep desire to feel heard, and to know that others care enough to listen."

"Feelings crave acknowledgment...They won't be happy until they get it, and nothing else will do."

"Expressing yourself well in a difficult conversation has nothing to do with how big your vocabulary is or how eloquent or quick-witted you are. "

- *Separate fact from opinion*. Preface your opinions with phrases like "it's my belief that…" or "my opinion is…" Share where your views or opinions came from.

- *Don't exaggerate* with words like "always" and "never".

- Express yourself in *terms that they can relate* to e.g. "I have this compelling need for the house to be clean and tidy, just like how you must keep your car spotlessly clean". Cater to their mode of absorbing info, e.g. do they relate better to visuals or numbers?

- Ask them to *paraphrase back*.

- Explicitly ask them *if/how they see things differently*.

If the other person keeps focusing on blame and who's right, try these approaches to **bring things back on-track**:

- Use *reframing* to translate destructive statements to constructive ones. For instance, if they insist "It's all your fault!", you can reframe it as "I'm sure I've contributed to the problem. Perhaps we both have. Instead of focusing on whose fault it is, can we try to figure out how we got here, so we can work out a way forward?"

- Even if the person is being difficult, it always helps to *listen first*. Listen intently and ask questions to understand how he/she sees the issue. Once people feel heard, they no longer feel the need to repeat themselves and can start listening to what you have to say. It also helps you to share your views in ways they can relate to.

- If, after reframing and listening, the other party still monopolizes the conversation, attacks and interrupts you, you can *name the dynamic* explicitly to clear the air. You may say something like: "I've tried to share my views 4x times now. Each time you cut me off in mid-sentence. I'm not sure if it was intentional, but it's really frustrating for me. I'd like to hear your perspective and I'd also like to finish what I'm saying."

KEY QUOTES

"Communicate your feelings in a way that invites and encourages the recipient to consider new ways of behaving, rather than suggesting they're a schmuck and…there's nothing they can do about it."

"You can't move the conversation in a more positive direction until the other person feels heard and understood."

5. Take the Lead in Problem-Solving

Now that you have a mutual understanding, you're ready to move into problem solving. You can find a **mutually-acceptable solution** even if you don't fully agree with each other.

Opposing views often come from a clash of assumptions. If you can identify those assumptions (e.g. "The kids won't be safe alone at home"), you can propose to **test your hypotheses**.

- Explain the *parts of their story* that don't make sense to you (instead of presenting the gap using your own story).
- Share *how you can be persuaded*, and ask if there's anything that can persuade them.
- *Ask for their advice*.

Be prepared to brainstorm creative solutions and **invent options**. Rather than squabble over whose approach to take, consider if there're certain *standards/principles* you can apply.

If you still **can't reach agreement**, decide if it's better to accept less than what you want, or accept the consequences of a disagreement.

KEY QUOTES

"For many people, realizing that they don't have to agree brings a sense of great liberation, relief, and empowerment."

TED TALKS

The Official TED Guide to Public Speaking

CHRIS ANDERSON

The Big "So What"

Great talks can inspire, educate and transform people. In this book, the head of TED, a world-renowned media organization, presents various insights and tips that anyone can use to improve your public speaking skills.

Introduction

Great talks can spread powerful ideas, allowing you to inspire people, share knowledge/insights and spread your vision. When you combine public speaking skills with the power of the internet, you can multiply your reach and impact large numbers of people.

Public speaking makes everyone nervous to some extent. The good news is, presentation *literacy can* be learned. There are many skills and tools you can master to make your talks great. Many famous personalities like Eleanor Roosevelt, Warren Buffett and Princess Diana all started out being terrified of public speaking, but managed to overcome their fears or even harness it to improve themselves.

Anderson recommends that you treat the tips in this book as tools (not rules) to develop your own unique style of public speaking. In this summary, we'll cover the key ideas in 4 parts:

- Start with the right foundations
- Develop your ideas
- Preparation
- Delivery time!

KEY QUOTES

"Public speaking is the key to unlocking empathy, stirring excitement, sharing knowledge and insights, and promoting a shared dream."

"Presentation literacy isn't an optional extra for the few. It's a core skill for the twenty-first century."

"There are hundreds of ways to give a talk, and everyone can find an approach that's right for them and learn the skills necessary to do it well."

Part 1: Start with the Right Foundations

Your Idea: the crux of your talk

The most crucial thing in a great talk is to have an idea you care about that's worth sharing.

- An idea doesn't have to be an invention or something ground-breaking. It can be *anything that changes how someone sees the world*, be it a how-to tip or a reminder of what truly matters.

- Don't underestimate the value of your work, learning or insights. The truth is, every one of us has worthy insights based on our unique experiences. Take the time to reflect on your personal journey, *your unique insights* and what you truly care about.

- When you share an idea that changes others' mental models, you're giving them a *lasting gift*. That should be the essence of a great talk.

Whether you already have an idea you wish to share or just a hazy concept that needs to be developed, you must commit yourself to researching and building the idea before you're ready to share it. Anderson urges you to **start taking action** now to define your idea.

Build your Throughline

A throughline provides a **core theme** that connects all the components of your talk into a coherent overall picture.

- All great movies, plays or novels have a *throughline*. It's like having a rope where you can hang each new element that you present, or having a path upon which the audience can follow you to a specific destination.

KEY QUOTES

"The only thing that truly matters in public speaking is... having something worth saying."

"Your number one mission as a speaker is to take something that matters deeply to you and to rebuild it inside of the minds of your listeners. We'll call that something an idea. A mental construct that they can hold on to, walk away with, value, and in some sense be changed by."

- A throughline is *more than a topic*: it gives people something to think about and should be captured in no more than 15 words, e.g. “More choice actually makes us less happy”. Find your throughline, then build your talk around it. Your goal is to help the audience to understand that line thoroughly without any big leaps or mental gaps.

Developing your throughline. Most speakers complain that they have too little time for what they want to say. The *wrong approach* is to put down everything you want to cover then try to compress it. The *right way* is to:

- Define *1 core idea*, then take the time to show why it matters to your audience and flesh out each point with facts, stories and examples.

- *Structure your talk* such that every element is linked to and builds up your core idea. Commonly used structures include:

(i) What ➔ So what➔ Now what
(ii) Intro ➔Context ➔Key concepts ➔ Implications ➔ Conclusion

KEY QUOTES

“The secret of successful talks often lies in what is left out. Less can be more.”

Approach it Right

Great public speaking doesn’t come from following a fixed formula or trying to be someone else. It’s about **being authentic**; be who you are and go for a topic you truly care about.

The best way to communicate an idea is to **recreate the idea in your audience’s minds**. This requires that you begin where the audience are and bring them on a journey with you.

- *Use your audience’s language*, down to the examples and terms that they can relate to. For example, most people can imagine an elephant but not a *Loxodonta* (an elephant’s scientific name).

- Pay attention to your *choice of words, body language and tone of voice*. They are all vital to your talk.

“Your goal is not to be Winston Churchill or Nelson Mandela. It’s to be you.”

Avoid these 4 common mistakes. Do *not*:

- *Make a sales pitch*. Your role as a speaker is to give to the audience, not take from them. Even if you can get away with subtly promoting your products/services, try to avoid that. Focus fully on helping the audience to learn something meaningful.

- *Ramble pointlessly*. When you ramble on and on without a clear message or takeaway—or worse, tell the audience that you didn't prepare—you are being disrespectful of their time.

- *Bore them with company talk*. People who don't work in your organization aren't interested in your mission, products or milestones. However, they'd probably want to hear about the ideas behind your work, the surprising lessons you learned from overcoming certain challenges and how they can apply such insights to their own work.

- *Put on an inspiring act*. Many speakers try too hard to be adored by the audience; they focus more on putting on a show rather than delivering a great idea. Real inspiration doesn't come from a great performance; it comes from acts of courage, authenticity, selflessness or wisdom.

Part 2: Build your Idea

Once you have a throughline, you can start to build the elements to hang on it. In this section, we'll present 5 core tools you can use.

Connection

Before you can build an idea in someone's mind, you need their trust and permission. Talks are powerful because of the potential for human connection. When you build a bond with the audience, they'll be more open to what you have to say.

Make eye contact from the start. As you walk onto the stage, focus on your passion and excitement for what you're about to share. Then, take a few moments to look at members of the

KEY QUOTES

"You want to build your reputation as a generous person, bringing something wonderful to your audience, not as a tedious self-promoter."

"An organization is fascinating to those who work for it—and deeply boring to almost everyone else."

"Inspiration is like love. You don't get it by pursuing it directly."

"To make an impact, there has to be a human connection."

"Eye contact, backed by an occasional warm smile, is an amazing technology that can transform how a talk is received."

audience in the eye before starting your talk. This creates a real connection and syncs your mind with the audience's.

Don't be afraid to **show your vulnerability**; it makes you real to the audience and they're even more likely to root for you. However, don't fake vulnerability just to manipulate others, nor share things that you yourself haven't yet worked through yet.

Use laughter—it reliefs tension, warms the audience up to you and makes them more willing to listen to you. However, if you're not naturally funny, don't pretend to be funny or use tacky jokes from the internet. Try these tips instead:

- Use *real anecdotes* that're relevant to your subject but exaggerate or remix them in a fun way.
- Prepare a *funny remark* in case you make a blunder or face a technical glitch.
- *Build humor into your visuals* or create a contrast between what you're saying and what you're showing.
- *Use satire*, i.e. say the opposite of what you mean then reveal your true intent.
- When there's a *laughing moment*, pause to give people a chance to laugh (but don't try to fish for an applause).

Shelf your ego. Unfortunately, it's hard to realize when we're being egoistic. Check that you're not name-dropping or boasting about your achievements, and test out your talk on someone you trust.

Tell stories about your authentic personal experiences or people close to you. These can be used in any part of your talk—be it in the opening, middle or end.

Narration

Since the days of our cavemen ancestors, stories have been used to bring people together, help people to dream, imagine, connect and understand one another.

KEY QUOTES

"Humor is a skilled art, and not everyone can do it. Ineffective humor is worse than no humor at all."

"Self-deprecation, in the right hands, is a beautiful thing."

Wrap your story around a **core idea** and make it compelling with **4 components**:

- Build it on a *character* your audience can relate to or care about;
- Build up *tension* using mystery, drama or danger;
- Use the *right amount of detail*—give just enough to let people imagine the scene vividly and remove the rest.
- End with a *proper resolution* that's surprising, insightful, funny or moving, and ties in with your core message.

You can also create your own **parable** (i.e. a short story that conveys a moral or spiritual lesson) but make sure you use analogies that your audience will understand.

Explanation

Understanding must be built like a hierarchy, with each layer constructed on a previous one. If you need to **explain something complex or technical**, always start with what people already know and build from there.

- *Start where the audience is*. Don't assume they're familiar with your topic and technical jargons.
- *Spark their curiosity*. Share something that makes them wonder "why" or "how".
- Then, introduce the related concepts *one by one* like building blocks and show how they're linked together.
- Use *metaphors* to draw a parallel between what you're explaining with something that the audience already understands (e.g. "the pre-frontal cortex of your brain works like a flight simulator to let you imagine things").
- Use short *examples* to help the brain apply the idea to a scenario to lock in the understanding.

KEY QUOTES

"If you're going to tell a story, make sure you know why you're telling it."

"In the right hands, a parable can entertain, inform, and inspire all in one."

"You can't give a powerful new idea to an audience unless you can learn how to explain."

"Knowledge can't be pushed into a brain. It has to be pulled in."

"Explanation is the act that consciously adds a new element to someone's mental model or reorders existing elements in a more satisfying way."

When you help someone to understand a concept, you fundamentally change their **mental model** and create a lasting impact.

Persuasion

Sometimes, before you can explain a new idea, you need to first demolish existing concepts that are wrong. Persuasion is about getting the audience to realize that their current view of the world isn't quite right, so they're open to an alternative viewpoint.

You can **prime** or nudge someone in a certain direction by using metaphors to make an idea more plausible.

Once someone is primed, it's easier to present your argument using **reasoning**.

- Break down your argument into a series of *if-then statements*. Start with something the audience accepts as true (or was proven to be true earlier in the talk), then build an argument like this: If X is true, then Y must happen, since every X implies a Y.

- You can also use *reductio ad absurdum*, i.e. give credibility to your position by presenting the opposite to your argument which is obviously false.

Use a **detective story**: present a mystery, the possible solutions, then eliminate the options one by one with the audience until there's only 1 logical conclusion. Bring the audience on a learning and discovery journey so they can persuade themselves.

Go beyond logic. Use humour, anecdotes, vivid examples, third-party validation and impactful visuals so your conclusion isn't just logical but also meaningful and energizing.

Revelation

The most direct way to convey an idea is to simply show it. You can mix and match 3 approaches below to lead up to a sensational revelation.

KEY QUOTES

"Our minds need to be primed before they can be persuaded."

"If you can walk someone through a reasoned argument convincingly, the idea you have planted in her mind will lodge there and never let go."

- If your work involves strong visual components, it can be very effective to take the audience on a "**wonder walk**" by taking them through a series of impactful images or videos. Don't try to describe the visuals. Instead, focus on linking them to your throughline, e.g. explain the creative process or insights behind the work.

- If you're sharing a new technology, process or invention, a **demo** is one of the most effective ways to show how it works. Don't be afraid to add some showmanship like how the iPhone was launched.

- Humans have a unique ability to imagine what doesn't yet exist. Using sketches, images, demos, or even a vivid description, you can build such a compelling **dreamscape** of the future that people will desire it. It helps to link such visions back to hope, humanity and/or actionable steps.

Part 3: Prepare, Prepare, Prepare

Use Visuals Effectively

Visuals (photos, illustrations, graphs etc.) are **not always essential** and bad slides can actually hurt your talk. Use visuals only if they're truly necessary and will make your talk more effective.

Generally, there are 3 ways to **add value with visuals**:

- *Reveal* something that's hard to describe in words. Let the visuals do the work so you can focus on setting the context and priming the audience.

- *Explain* or enhance your show-and-tell. Make sure what you say and show are in sync. Limit each slide to 1 core idea with only a short phrase, question or an image. Your slides should build curiosity, not steal the thunder by showing the words you're going to say. When you're not referring to a slide, switch to a blank screen so the audience can focus back on you.

KEY QUOTES

"(Dreams) can spread to others, build excitement and belief, and thereby make themselves come true."

"Having no slides at all is better than bad slides."

"The main purpose of visuals can't be to communicate words… It's to share things your mouth can't do so well."

- *Delight* your audience by adding aesthetic appeal. You do not have to explain every image you show.

The book includes many **presentation tips** on software, fonts, legibility, to-dos and not-to-dos. Here are some examples:

- Be original. Avoid standard presentation *templates*.
- Use *high-res images* on black background for the best effect.
- Use 1 simple, easy-to-read *typeface* per presentation, with ≤3 font sizes and at least 24pt-size for all fonts. Avoid using italics or underline as they're hard to read (bold fonts are ok).
- *Build up the content* on each slide by adding words and images progressively.
- Use *videos* only if essential and keep them to <30s each.
- Don't use flashy *transitions or animations* that distract the audience from your content.
- Send your presentation in advance and save a *backup copy* of the presentation, fonts, videos etc. in a zipped folder in a USB drive.

Scripting

In the past, TED tried to set rules, such as no lecterns or reading from a script. They've since realized that it's best to let speakers do whatever they feel most natural and confident with. One of the key decisions you must make is whether to use a script.

Scripted talks can help you to make the most of your time on stage. However, you must deliver it the right way to avoid losing passion and connection. There are 3 key strategies you can use:

- *Know the talk so well* that it doesn't seem scripted. This means you must practice *a lot*, until you know the material inside-out and are unlikely to freeze on stage. At the same

KEY QUOTES

"The key is to find the mode you can feel confident about, and commit to it."

"It's all about giving meaning to the words as you speak as naturally and passionately as you can."

time, the talk must come across as if you're sharing the ideas for the first time rather than reciting them from memory.

- *Refer to the script* from a lectern, screen or confidence monitor, but look up during every sentence to make eye contact with the audience so you're still speaking to them (not just reading).

- Reduce the script to *bullet points* and express each point in your own words.

Unscripted talks tend to sound fresh and real because you're thinking aloud and searching for the words in the moment. However, you still need to prepare for them.

- Prepare a *clear talk structure* and mentally label each set of points or notes you intend to cover.

- Prepare for *potential problems* so you know what to do if you can't find the words in the moment, if you leave out something critical or over-run your time slot.

Rehearse

Regardless of whether you choose a scripted or unscripted approach, you must rehearse repeatedly. Your goal is to know your talk so well that you can focus fully on the meaning you wish to convey. Rehearse in front of the mirror, to friends and family, to a group or just before you sleep. Insist on honest feedback on all aspects of your talk, e.g. whether you made eye contact, captured their attention, or helped them understand a new idea.

Open and Close

Even if you're not using a script, it's a good practice to memorize the opening and closing lines for your talk to create the most impact.

Here are 4 ways to **start strong** and capture people's attention from the onset.

- *Use a little drama*, like the opening of a great movie or novel, to make people curious about your talk. It could be a

KEY QUOTES

"When people think a talk sounds rehearsed, the problem is not too much rehearsal, it's too little rehearsal."

"In the opening sentences your sole goal is to give your audience a reason to step away from their comfort zone and accompany you on an amazing journey of discovery."

shocking fact (e.g. “In the next 18 mins as I give this talk, 4 Americans will die from the food they eat.”), a vivid story or a humorous line.

- *Spark curiosity* by asking a surprising question (e.g. “How did a 10-year old with only $300 get an entire town to change their future?”). Or, frame your topic in an unexpected way.

- *Use an impactful visual or object*. A stunning image will capture attention, but when you can reveal something surprising about it, it creates an even bigger impact. You can also use openings like: “this video I’m about to show changed my life” or “I’m going to show you something that may seem impossible at first glance”.

- *Use a teaser* that gives a sense of where you’re at and where you’re going. But, never give away the punchline or the big reveal right at the start.

How you end your talk can shape how people remember the entire experience. Here are 7 ways to **end powerfully**.

- Pull back to show the *big picture* and the range of implications and possibilities of what you’ve just shared.

- Give a specific *call to action* and nudge your audience to act on the powerful idea you’ve just shared.

- Make a *personal commitment* on what you are doing to do.

- Create a *vision* of what the future might be.

- Ask a *surprising question* that makes people think about what you’ve said.

- Use *narrative symmetry* by linking back to something you’ve said in the beginning.

- If you’ve built up your talk properly, you can end with *poetic language* that evokes feelings about humanity, hope etc.

KEY QUOTES

“Curiosity is the magnet that pulls your audience along with you.”

Part 4: Delivery Time!

What to wear

The **right clothing** can help you feel good and connect with the audience. Wear something you feel confident in and expresses your personal style. Pick out your attire in advance to avoid added stress on the day of the talk.

When **selecting your attire**, consider these tips:

- Dress a notch above what the audience will be wearing.
- If you'll be filmed, avoid full white/black or small/tight patterns.
- Wear something that stands out on the stage and gives you a nice silhouette (fitted but not too tight). You can add a splash of color (e.g. a bright scarf) to go with neutral colors.
- Avoid dangling earrings and flashy/noisy accessories.
- If you'll be wearing a mike, wear a belt or a defined waistline to attach the battery pack.
- Rehearse your talk in the planned outfit.

Mental preparation

- **Manage your anxiety** and redirect the adrenaline to energy:
  - *Use your fear as a motivator* to practice as much as you can.
  - Before going on stage, *breathe in deeply* and release your breath slowly. Remember, it's *ok to be vulnerable* and show that you're nervous.
  - Eat a small portion of healthy food an hour before going onstage; *avoid an empty stomach* or eating too much.

KEY QUOTES

"Your clothing can earn you an audience connection before you've even spoken a word."

- *Drink water* (about 1/3 of a bottle) *just* before you go on stage so your mouth won't get dry.

- Identify a few *friendly faces* in the audience and focus your talk on them.

- *Have a backup plan* for common problems like forgetting your script, technology glitch etc.

- Remind yourself that *what you're sharing matters* and focus on sharing it.

Setup

Ideally, you should give your talk without a lectern and with at most notecards that you can hold in 1 hand. However, go with the mix of **props and tools** that works best for you and practice with them.

- If need be, have a *comfort backup* by putting your full script on a table or lectern at the side/back of the stage. That way, you can take a sip of water and review your script if you really blank out.

- Plant certain images or words in your slides as *memory cues*.

- Prepare 5x8 inch *hand-held note cards*; hold them together with a ring clip in case you drop them. Ideally, you should use them only occasionally and focus on the audience.

- *Confidence monitors* are available in certain venues, though you shouldn't over-rely on them. Never read off the monitors.

- If you must have your full script or laptop in front of you, ask for a sleek, *unobstructive lectern* that doesn't block your body.

KEY QUOTES

Voice and Presence

Talks are more powerful than written words alone because of your presence and connection with the audience. Keep practicing, and you'll eventually find your unique, authentic way of delivering the talk.

Vary your **voice** to match the meaning you wish to convey. Go through your script and highlight the key words, questions and moments. Try reading it with different nuances; experiment with pauses and changes in tone, pace, volume, rhythm and timbre. Use your natural, conversational pace as the default.

Body language. If you're not using a lectern, the simplest posture is to stand tall, place equal weight on both feet and use your hands and arms to amplify what you are saying. You can stand in 1 place or walk the stage so long as you're relaxed and deliberate with your movements.

Using Creative Formats

There are many other innovative ways to engage the audience's 5 senses and make your talk **stand out**. Just remember not to appear gimmicky or to lose sight of your real message.

Anderson shares many of such **format innovations**, including using dramatic props (like a real human brain or releasing a jar of mosquitoes), panoramic screens, multisensorial stimulation (like smells or tastes), live podcasting, dual presenters or debate formats, guest appearances etc.

Conclusion

- Anderson believes that public-speaking skills will become even more important in the future. He shares how TED is nurturing the talk renaissance, and urges every one of us to **find and share our unique ideas** to positively shape our world.
    - o With the internet, it's now possible to learn from, understand and be inspired by *people* around the globe with totally

KEY QUOTES

"Talks can offer something more than the printed word… It's the human overlay that turns information into inspiration."

"Let's embrace the spirit of innovation…But let's also never forget that substance matters more than style."

"For the first time in history, it's possible for anyone on the planet who has access to the Internet to summon to their home the greatest teachers and inspirers."

different background, skills and experiences. This creates endless possibilities in terms of learning and innovation.

  - As the amount of information keeps growing and machines keep getting smarter, specialist *knowledge* is likely to become less valuable than *contextual knowledge* (the ability to see the big picture and how things fit together), *creative knowledge* and a deeper understanding of our *humanity*. Talks are a powerful means of expanding such knowledge and perspectives.

- As you pursue greater purpose and meaning in your life, you'll inevitably discover something worth saying. And, when you share such ideas with passion, conviction and authenticity in a connected world, there's no limit to the **amount of impact** you can make.

- In this summary, we've outlined the key ideas and tips in the book. The book also includes **other tips and details**, such as:

  - Quotes, examples and snippets from various talks/ speakers; and

  - Anderson's personal observations, beliefs and hopes for the future.

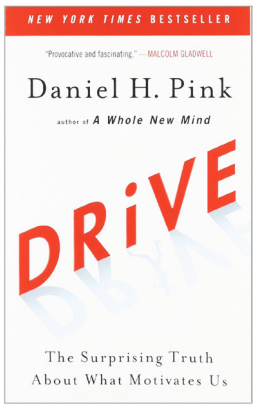
For more details, please refer to www.ted.com.

KEY QUOTES

"If we can find a way to truly listen to each other, and learn from each other, the future glitters with promise."

"Seeding a valuable idea... is the most impact that's possible for an individual to have. Because, in a connected world, that idea, once properly seeded, is capable of spreading itself."

"The future is not yet written. We are all, collectively, in the process of writing it."



DRIVE

The Surprising Truth about What Motivates Us

By Daniel H. Pink

The Big "So What"

By truly understanding human motivation and creating the right environment, organizations can help people to discover their innate drive, to become naturally more productive, fulfilled and happy.

Introduction

There's a gap between what we know about motivation and how businesses and society currently operate. Most of our systems are built around carrot-and-stick and external motivation, which are not always effective and may sometimes backfire. To maximize productivity and motivation in the 21st century work, we need to upgrade our approach to tap on and increase intrinsic motivation, with 3 elements: autonomy, mastery and purpose.

Developing a new Operating System

Like computers, societies have operating systems – our laws and socialeconomic frameworks are built on assumptions of how things work and how humans behave. Pink traces how these underlying assumptions (and consequently society's operating systems) have evolved over time:

Motivation 1.0 – Biological needs

This system assumes that humans are driven by our biological and survival needs, i.e. food, security and sex.

KEY QUOTES

"Societies also have operating systems... And much of our societal operating system consists of a set of assumptions about human behaviour."

Carrot-and-stick approach

"For as long as any of us can remember, we've configured our organizations and constructed our lives around its bedrock assumption: The way to improve performance, increase productivity , and encourage excellence is to reward the good and punish the bad".

Motivation 2.0 – Extrinsic Rewards & Punishments

This system assumes that humans seek rewards and avoid punishments, in addition to satisfying our biological needs. It is still deeply embedded in most aspects of our lives today. Pink points out that Motivation 2.0 works, but not all the time, because of 3 areas of incompatibility:

- How we organize what we do: Pink uses the growing trend of opensourcing to illustrate how people are changing the way we organize our efforts, driven by the intrinsic satisfaction of mastering a challenge, and the desire to contribute to the community. In short, traditional businesses are "profit maximizers", but there is a growing number of businesses that are "purpose maximizers".

- How we think about what we do: The assumption that we are wealth-maximizers is flawed, because we do not consistently seek to maximize wealth, nor do we always respond rationally to extrinsic incentives.

- How we do what we do: Motivation 2.0 is based on the belief that people need extrinsic rewards and close supervision because they do not enjoy their work. However, many jobs have become more interesting and self-directed. Moreover, external motivation may work for algorithmic tasks that follow fixed rules and instructions, but are counter-productive for heuristic tasks that require creativity to solve novel problems.

Motivation 3.0 - Intrinsic Motivation

Pink recommends a full upgrade to this operating system for the 21st century. This system is built on the assumption that, besides biological urges and extrinsic motivation, humans also have a desire to learn, to create, and to make the world a better place. In short, it recognizes the "third drive" or intrinsic motivation, which includes 3 elements:

KEY QUOTES

"Motivation 2.0...doesn't mesh with the way many new business models are organizing what we do – because we're intrinsically motivated purpose maximizers, not only extrinsically motivated profit maximizers."

"Economists are finally realizing that we're fullfledged human beings, not single-minded economic robots."

"For growing numbers of people, work is often creative, interesting, and self-directed rather than unrelentingly routine, boring, and other-directed."

Motivation 3.0

"The science shows that the secret to high performance...(is) our deep-seated desire to direct our own lives, to extend and expand our abilities, and to make a contribution."

- Autonomy: The desire to direct our own lives
- Mastery: The desire to get better and better at something that matters
- Purpose: The desire to serve something larger than ourselves

From Motivation 2.0 to Motivation 3.0

The Starting Point: Baseline rewards

"Baseline rewards" (like salary, some perks and benefits) are prerequisites to motivation, i.e. people must minimally be paid a fair and equitable amount. Without a healthy baseline, there is no motivation to speak of. However, beyond that baseline, money or carrots and sticks can actually dampen rather than increase motivation.

Why Carrots & Sticks Can Backfire

- Extrinsic rewards, especially contingent rewards or "if-then" rewards, may unintentionally extinguish intrinsic motivation and hence decrease performance and creativity. Extrinsic rewards may still work in the short run, but they tend to cause "considerable long-term damage"
- Empirically, it is proven that introducing or increasing incentives does not always improve performance, and may in fact reduce performance(especially if they are contingent incentives).
- Rewards tend to narrow our focus, which is helpful to get us to focus and run faster on a fixed path, or to handle algorithmic tasks. They however tend to hinder right-brain thinking or creative solutions.
- People sometimes do things for intrinsic satisfaction or "feelings that money can't buy" – introducing rewards may extinguish the nobility and interesting aspects and reduce the desired behaviours.

KEY QUOTES

"Baseline rewards"

The best use of money as a motivator is to pay people enough to take the issue of money off the table."

Extrinsic Motivation

"Sometimes these motivators work. Often they don't. And many times, they inflict collateral damage".

"Over and over again, (researchers) discovered that extrinsic rewards – in particular, contingent, expected, "if-then" rewards – snuffed out the third drive."

- Rewards may end up encouraging undesired behaviours and attitudes including unethical behaviour, addition, short-term thinking, cheating and short-cuts.

When and How to Use Carrots & Sticks

Extrinsic rewards do have their uses. Specifically:

Routine tasks: People performing routine, dull tasks that involve only mechanical skills have little or no intrinsic motivation to be lost. In such cases, you can use rewards to boost performance, with the following approach:

- Explain why the task is necessary, so you provide meaning for an otherwise-boring task.
- Acknowledge that the task is boring, as an act of empathy
- Provide autonomy, and give people some freedom over how they complete the task

Now-then rewards: For non-routine conceptual tasks, offer "now then" rewards instead of "if-then" rewards, i.e. offer rewards as a surprise or bonus after the task is completed.

This is assuming the basic compensation and the 3 elements of autonomy, mastery and larger purpose are already in place. Ideally, these rewards should follow 2 additional guidelines:

- Use non-tangible rewards like praise and positive feedback rather than just cash and physical trophies.
- Provide specific feedback, focusing on their effort and strategy (rather than must the results)

Self-Determination Theory (SDT)

To stay relevant, businesses can update their approach to motivation, using the self-determination theory (SDT). According to SDT, human beings have an innate drive to be autonomous, self-determined and connected; if we focus on creating environments where this drive can be expressed,

KEY QUOTES

"Mixing rewards with inherently interesting, creative or noble tasks deploying them without understanding the peculiar science of motivation, is a very dangerous game."

"Greatness and nearsightedness are incompatible. Meaningful achievement depends on lifting one's sights and pushing toward the horizon."

people are more productive, fulfilled and happy.

Organisations should focus on these drives when managing their human capital, by creating settings which focus on our innate need to direct our own lives (autonomy), to learn and create new things (mastery), and to do better by ourselves and our world (purpose).

Moving from Type X to Type I Behaviours

Pink classifies human behaviour into 2 main types - Type X (primarily motivated by extrinsic factors) and Type I (fuelled more by the inherent satisfaction of an activity). Generally, Type I behaviour generates better results, health, and overall well-being. Hence, Pink advocates that we move ourselves (and our colleagues) gradually from Type X to Type I. In particular:

- In the long run, Type Is Type I's almost always outperform Type X's, and they enjoy greater physical and mental well-being.
- For Type X's the main motivator is external rewards (e.g. money and recognition); any deeper satisfaction is welcome but secondary. For Type Is, the main motivator is the freedom, challenge, and purpose of the task; any external reward are welcome but only as a bonus.
- Type I behaviour traits are not fixed, so any Type X can become a Type I.

The Three Elements of Motivation 3.0

1. Autonomy

Autonomy essentially means acting with choice. It is different from independence, as you can choose to work interdependently with others. Having a sense of autonomy can produce significant improvements in performance and attitude. A Cornell University study found that autonomy-oriented businesses grew 4 times faster and had 3 times lower turnover than control-oriented firms.

KEY QUOTES

"We're designed to be Type I… If we update the environments we're in… we can return ourselves and our colleagues to our natural state."

"This era doesn't call for better management. It calls for a renaissance of selfdirection."

"Autonomy… is different from independence. It means acting with choice – which means we can be both autonomous and happily interdependent with others."

Based on the SDT, we are naturally Type Is (self-directed and autonomous). However, most of us have been conditioned to adhere to outdated concepts of management, which assumes that those being managed need prodding to move forward, and need to be given direction to stay on-track. Even the concept of empowerment is built on the pretext that the organization holds the power and is "generously" sharing it with employees. Given the right environment, we will return to our natural Type I state.

One such environment is the Results-Only Work Environment (ROWE) conceptualized by Cali Ressler and Jody Thompson. Here, people don't have fixed work schedules; they are free to do their work where, when and however they wish, so long as they get their work done. People are treated as partners, not resources, and hence need to direct their own lives.

Encouraging autonomy doesn't mean people need not be accountable for their work. On the contrary, Motivation 3.0 assumes people want to be accountable, and the way to encourage Type I behaviour and enable superior performance is to give autonomy over 4 essential areas:

- Task (What they do)
- Time (When they do it)
- Team (Who they do it with)
- Technique (How they do it)

2. Mastery

Mastery means becoming better at something that matters, and this can only be achieved through deep engagement or flow. When "in flow", we are typically performing at a notch or two beyond our current abilities, which stretches our body and mind to produces a level of focus and satisfaction that extremely rewarding. We lose ourselves (positively) in what we are doing.

While flow is essential to mastery, it happens in a moment, and hence doesn't guarantee mastery, which happens over time and with repeated practice. There are 3 laws that govern mastery:

KEY QUOTES

"Control leads to compliance; autonomy leads to engagement."

"In flow, people lived so deeply in the moment, and felt so utterly in control, that their sense of time and even self melted away."

"Flow is essential to mastery. But flow doesn't guarantee mastery – because the two concepts operate on different horizons of time. One happens in a moment; the other unfolds over months, years and sometimes decades."

- Mastery is a mindset: Our beliefs shape what we achieve. Type X behaviour holds an "entity theory of intelligence", i.e. the belief that our abilities are finite, and they value performance over learning goals. Type I behaviour holds the "incremental theory of intelligence", i.e. the belief that our intelligence and capabilities can improve infinitely, and learning goals are prized over performance goals. "Begin with one mindset, and mastery is impossible. Begin with the other, and it can be inevitable."
- Mastery is pain: Mastery requires grit, all-out effort, and deliberate practice over a long period of time. It often involves periods of hard work and effort with little improvement, and doing what you love to do even when you don't feel like doing them.
- Mastery is an asymptote: An asymptote is a straight line that a curve approaches but never reaches. You can approach and get extremely close to mastery, but it is impossible to fully realize it. This can be frustrating, but also alluring at the same time.

To enrich and motivate people, organizations can create conditions for people to make progress, then highlight, recognize and celebrate that progress.

3. Purpose

Purpose is about linking your desires to a cause that's bigger than yourself. It provides a context for autonomy and mastery. Motivated, productive and fulfilled people typically work towards a higher purpose beyond their self-interest. The main difference between Motivation 2.0 and 3.0 is that the latter places equal emphasis on profit-maximization and purpose-maximization, not just focus on profit-maximization alone.

There are 3 ways to express "purpose motives" in the organization:

- Goals: Place purpose as the priority, and use profits as a catalyst rather than the key objective.

KEY QUOTES

"What people believe shapes what people achieve."

"Mastery hurts. Sometimes – many times – it's not much fun… It's grueling, to be sure. But that's not the problem; that's the solution."

"The joy is in the pursuit more than the realization. In the end, mastery attracts precisely because mastery eludes."

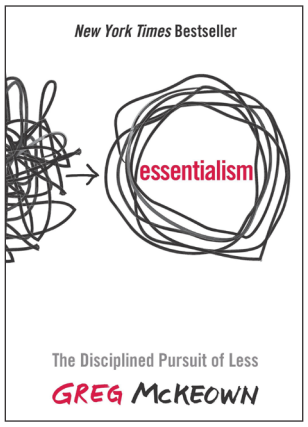
"Autonomous people working toward mastery perform at very high levels. But those who do so in the service of some greater objective can achieve even more."

"Humanize what people say and you may well humanize what they do."

- Words: Choose words that are humanized and lean towards a purpose beyond self-interest. Focus on “why” rather than “how”.
- Policies: Allow people to pursue purpose on their own terms.

KEY QUOTES

“People at work are thirsting for context… a powerful way to provide that context is to spend a little less time telling how and a little more time showing why.”



ESSENTIALISM

The Disciplined Pursuit of Less

GREG MCKEOWN

The Big "So What"

Often, we find ourselves feeling overworked, exhausted, perpetually busy yet unproductive. Essentialism is about focusing your energy only on what's essential, so you can do the right things that truly matter.

What is Essentialism?

Essentialism is the discipline of continuously defining where we can create the most value, then finding ways to execute most effortlessly.

Today, we have more choices than ever before. This, combined with increased connectivity, social pressure, and the myth that we can have it all, has led to the **proliferation of nonessentialism**. People find it hard to say "no" and are constantly stretched too thinly across too many areas.

Both individuals and organizations also get caught in the **Paradox of Success**. They start out with a clarity of purpose which leads to success. As their success brings more options and opportunities, they start to get distracted, losing sight of their core priorities and key success factors. Their success thus ends up catalysing their failure.

Essentialism is about **designing and taking control of your life**.

- The same amount of energy, when directed purposefully, can bring you much closer to your goal. This requires that you constantly step back to ask: "Am I investing in the right activities?" and "Is this the most important thing I should be doing now?"

KEY QUOTES

"The way of the Essentialist is the relentless pursuit of less but better...It means pursuing it in a disciplined way."

"The preponderance of choice has overwhelmed our ability to manage it."

"Success can distract us from focusing on the essential things that produce success in the first place."

"Only once you give yourself permission to stop trying to do it all, to stop saying yes to everyone, can you make your highest contribution towards the things that really matter."

"If you don't prioritize your life, someone else will."

- Know the right things you must do, reject everything else and direct your time and energy to create the biggest impact where it matters. In so doing, you drastically improve both your levels of performance and results.

The Essentialist Mindset

Essentialism involves 3 mindset shifts:

Choose. We can't always control the options presented to us, but we can *always* control the choices we make and how we spend our time and energy. Remove the words "I have to" which puts you in a reactive, helpless position. Use the words "I choose to"—remember that you can *always* choose how to respond to your circumstances.

Discern. We're surrounded by noise that confuses and distracts us. Stop thinking that everything is important. Learn to filter out the few vital things that are truly valuable from the mass of trivialities.

Trade-offs. Trade-offs are a fact of life. You can do *anything* but not *everything*.

- Southwest Airlines managed to achieve amazing growth in a notoriously unprofitable industry because it was deliberate about its trade-offs—it chose to keep costs down even if that meant alienating certain groups of people. On the other hand, Continental Airlines made the costly mistake of trying to straddle 2 vastly different strategies.

- Stop thinking "How can I do it all?" Instead, choose the problem you'd focus on, and ask "What trade-offs will I make?" and "How can I go really big on this?" See trade-offs not as losses but as opportunities to find the highest-impact options.

Becoming an Essentialist: the 3-Part Model

There are 3 key parts to Essentialism: explore, eliminate and execute. These elements work together in a self-reinforcing cycle.

KEY QUOTES

"We often think of choice as a thing…a choice is an action. It is not just something we have but something we do."

"Distinguish the vital few from the trivial many."

"We live in a world where almost everything is worthless and a very few things are exceptionally valuable."

"We can try to avoid the reality of trade-offs, but we can't escape them."

Explore: Identify the Vital Few

Essentialists explore more options than non-Essentialists but don't react to most of them. Create the space to think, listen, observe, play, rest and explore with the goal of identifying the activities/efforts that'll create the biggest contribution toward your goal.

Escape. Today, people are typically too busy to think. It takes *deliberate effort* to create the time and space to escape, explore life, reflect on what's truly vital, and evaluate your options. Find the ideal spaces where you can concentrate and/or ideate. Set aside time regularly to read, expand your perspectives, explore new ideas and challenge your assumptions.

Look deeply. Great journalists go beyond factual reports; they dig deep to discover what's meaningful to people. Likewise, in all aspects of life, you gain true insights when you look below the surface to find the hidden truths and connect the parts to see the broader patterns.

- Train yourself to connect the dots and *see the bigger picture* or wider trend rather than react to every small event or trigger.

- To filter out the vital from the noise, learn to be a *great observer and listener*. Listen carefully to what's *not* being said. Pay attention to the essence that's being communicated; don't try to formulate your own response as you listen.

- *Keep a journal* where you note down daily thoughts and observations that you'd otherwise forget. Take an hour every 3 months to go through your journal entries and look for patterns that may surface.

- Always *clarify the question or problem*, i.e. "What question am I trying to answer?" or "What problem am I trying to solve?" Get out in the field to gather first-hand data or experience, and look for unusual or abnormal details.

Play (i.e. anything that you do for the joy of doing) is a vital source of brain stimulation and imagination.

- We're often most, creative, expressive and alive during play. Play opens up our minds to new options and possibilities, relieves stress (a barrier to creativity and productivity), and stimulates

KEY QUOTES

"To discern what is truly essential we need space to think, time to look and listen, permission to play, wisdom to sleep, and the discipline to apply highly selective criteria to the choices we make."

"In order to have focus, we need to escape to focus."

"The best journalists do not simply relay information. Their value is in discovering what really matters to people."

"In every set of facts, something essential is hidden."

"Listen for what others do not hear."

"Small, incremental changes are hard to see in the moment but over time can have a huge cumulative effect."

"Play doesn't just help us to explore what is essential. It is essential in and of itself."

both the logical and creative parts of the brain. That's why many breakthroughs—from Colombus' realization that the world was round to Newton's conceptualization of gravity—occurred during play.

- Indeed, many companies like Twitter, IDEO, Pixar and Google are already promoting fun and play at work. Consider what used to excite you as a child and find ways to recreate that today.

Sleep. You are your greatest asset—to create a massive contribution, you must first nurture a healthy mind, body and spirit. Sleep is a crucial investment to keep you operating at optimal levels. Pace yourself and recharge to ensure you don't burn out.

- Sleep has been found to *improve creativity and problem-solving abilities*. In deep sleep (even briefly), our brains make new connections that allow new ideas and solutions to emerge.

- Get *8-hours of sleep daily* for peak performance. Anders Ericsson found that top violinists spent more time practicing than average violinists and slept more than the average American (for an average of 8.6 hours in every 24 hours). By regenerating themselves, they concentrated better and got more out of their practice.

Select. When an opportunity comes knocking, we tend to fear missing out if we say "no". Yet, if you accept every opportunity, you'll be overwhelmed. Force yourself to be explicit about your decision-making criteria, then systematically select *only* what's the most ideal.

- Apply the *90 Percent Rule* and say "yes" only to the top 10%. When you evaluate an option, focus on the 1 most important criterion to rate the option between 0-100. Reject all options that score <90%. You can also (i) list down 3 minimum criteria for an option to be considered and (ii) 3 extreme criteria for an option to be approved. Reject any option that doesn't fulfill both sets of criteria.

- Remember: you're looking for only the *best options*. Apply this to every aspect of your life, e.g. hiring *only* the ideal employees, attending *only* the most useful events and buying/keeping *only* what you absolutely love.

KEY QUOTES

"Play expands our minds in ways that allow us to explore: to germinate new ideas or see old ideas in a new light."

"The best asset we have for making a contribution to the world is ourselves."

"Sleep will enhance your ability to explore, make connections, and do less but better throughout your waking hours."

"Sometimes you will have to turn down a seemingly very good option and have faith that the perfect option will soon come along."

"If it isn't a clear yes, then it's a clear no."

"We aren't looking for a plethora of good things to do. We are looking for the one where we can make our absolutely highest point of contribution."

Eliminate: Cut Out the Trivialities

After you've distinguished the vital few from the trivial majority, you must cut off the latter from your life.

Clarify. To eliminate activities that aren't aligned with your goal/purpose, you must first know what your goal/purpose is.

- In organizations, teams that *lack clarity* tend to be rife with politics; people create their own games/rules and pursue conflicting interests. In our personal lives, people that lack clarity get distracted by diverse priorities and get lost in trivialities like how many "likes" they have on social media.

- Define your "*essential intent*" to stay clear and focused on what matters. This is a strategic decision that'll eliminate thousands of other decisions in the years to come, and must be both concrete and inspirational, e.g. "to get everyone in South Africa online by end of 2020". To gain clarity, ask good questions like "What's the 1 thing we must be truly outstanding in?" or "How will we know that we've succeeded?"

Dare. It takes courage to say "no"—to act against social pressures and overcome our fears of missing out or disappointing others.

- Each time you say "yes" to something nonessential, you're saying "no" to something essential. *Focus on the trade-offs* so it's easier to reject the nonessentials.

- Humans are social creatures and we intuitively want to be accepted by others. We feel bad about rejecting or disappointing others. Saying "no" could reduce your popularity in the short term, but it *earns you respect* in the long term. In fact, a clear and polite "no" is much better than a non-committal "yes" that you fail to deliver on.

- Learn to say "no" *firmly but skillfully*:

  (i) Separate the decision from the relationship—remember that you're rejecting the request, not the person.

  (ii) Reject a request gracefully. Pause for 3 seconds, then respond with something like, "I'd love to help you on the project but I

KEY QUOTES

"When there is a serious lack of clarity about what the team stands for and what their goals and roles are, people experience confusion, stress, and frustration."

"Once the big decision is made, all subsequent decisions come into better focus."

"Clarity about what is essential fuels us with the strength to say no to the nonessentials."

"Part of living the way of the Essentialist is realizing respect is far more valuable than popularity in the long run."

"As hard as it can be to say no to someone, failing to do so can cause us to miss out on something far more important."

don't have the bandwidth at the moment." If you need time to consider, simply say, "Let me check my availability and get back to you." You can also use email auto-responders to explain why you're currently unavailable. If your boss asks you to do something on top of existing priorities, seek clarification e.g. "I'd be happy to prioritize this. Which of these other projects should I set aside to focus on this project?" You can also offer other viable alternatives to the requester.

Uncommit. We tend to continue something just because we've always done it or because of what we'd already invested/sunk in it.

- When you pour more time, energy or money into a bad choice or unessential activity, you're wasting even more resources. *Cut your losses* and refocus your current/future resources on what's useful and essential.

- To *overcome the sunk cost bias*, ask yourself questions like: "If I don't already own this, how much would I pay for it?", "If I don't already do this, will I start doing it?" or "If I didn't have this opportunity, what would I be willing to do to acquire it?" You can also get an objective opinion from a neutral third party who's not emotionally invested in the situation.

- *Don't stick blindly to status quo*; start your plans from scratch each time to evaluate every item against your criteria.

- When you're presented with an opportunity or request, *pause for 5 seconds* to ask yourself if it's essential before you respond. If you're unsure whether something is essential, simply remove it to test if there's any real impact.

Edit. Be like an editor—relentlessly remove what's irrelevant, unimportant or doesn't add to the masterpiece.

- By removing the nonessential, a great editor *adds value* to a movie's plot and characters, making them more coherent and impactful. Likewise, disciplined editing helps to cut away things in your life that are confusing, distracting, disruptive or simply aren't aligned with your goals.

KEY QUOTES

"It's natural not to want to let go of what we wasted on a bad choice, but when we don't, we doom ourselves to keep wasting even more."

"Every use of time, energy, or resources has to justify itself anew. If it no longer fits, eliminate it altogether."

"A good film editor… eliminates everything but the elements that absolutely need to be there."

- *Condense* your existing activities and communications to make them as clear and concise as possible, e.g. communicate in fewer words or run a meeting in less time.

- Editing also helps to improve the *accuracy* or effectiveness of your efforts, so they contribute most directly to your goals.

Limit. Technology has significantly blurred the lines between work and family, with employees often being expected to respond to emails and messages after work-hours or on weekends. We may also encounter people who encroach into our personal space, offload their problems on us, or try to exploit us for their own gains. To protect what's essential, you must set boundaries. It's vital to know your boundaries and stand firm on them—once you start to make exceptions, you're likely to keep making more and more exceptions until you're living on others' terms. When you take on others' problems, you dilute your focus while disempowering others from taking control of their lives.

- It's vital to know your boundaries and *stand firm* on them—once you start to make exceptions, you're likely to keep making more and more exceptions until you're living on others' terms. When you take on others' problems, you dilute your focus while disempowering others from taking control of their lives.

- Such boundaries do not constrain you; they *free you* to select your playing field and focus on winning the game that matters.

- In some cases, setting your boundaries will involve *trade-offs*, e.g. it may limit your career progress in certain companies. However, the cost of not setting your boundaries is even higher as you may end up hurting what's most essential to you.

- *Define your deal-breakers*. Think of someone who frequently distracts you from your priorities and list down the types of requests you should reject in future. Each time you feel obliged to do something you'd rather not, make a note of why you feel violated. Review your notes to find your hidden boundaries.

- When you're working with people with different priorities or approaches, it helps to craft a *social contract* to establish mutual boundaries to reduce friction.

KEY QUOTES

"A good editor is someone who uses deliberate subtraction to actually add life to the ideas, setting, plot, and characters."

"When we don't set clear boundaries in our lives we can end up imprisoned by the limits others have set for us."

"Boundaries are a little like the walls of a sandcastle. The second we let one fall over, the rest of them come crashing down."

"Not pushing back costs more: our ability to choose what is most essential in life."

Execute: Remove Constraints & Make Execution Effortless

Non-Essentialists spend their time/effort trying to force their way through execution, while Essentialists invest time/effort to figure out how to do things in the least effortful way.

Buffer. We can't predict what will happen in the future. We can only expect the unexpected and build in a buffer, i.e. something that prevents 2 things from clashing and causing damage.

- Don't assume the best then find yourself stuck with inadequate time/resources. Plan ahead and create buffers for *contingencies*, e.g. add 50% buffer for travelling time.

- When planning for an important project, ask several key questions: (i) What risks do I face? (ii) What's the worst-case scenario and the social/financial impact? and (iii) What can I do to *reduce these risks or improve my resilience* to them?

Subtract. Adding resources won't necessarily increase your output. You must address the constraints that are slowing you down.

- Don't randomly act on the most visible or immediate obstacles. Step back, *examine the whole system* to identify the biggest bottlenecks and tackle those instead.

- Return to the earlier question: "How will we know that we've succeeded?" Ensure you have a clear, concrete essential intent, then (i) identify the constraints that are slowing you down and (ii) start by removing the *biggest obstacles* that, once removed, would eliminate most of the other obstacles.

Progress. To get massive results, you don't need flashy ideas. Neither must you achieve everything at once. Identify the priorities with the biggest contributions, take baby steps and celebrate each small win until you get to your big goal.

- Invest some time to *set up a system* that allows you to execute as smoothly and effortlessly as possible. The Richmond Police Department decided to take an unusual approach to recidivism. Rather than target people who'd already committed crimes,

KEY QUOTES

"Instead of focusing on the efforts and resources we need to add, the Essentialist focuses on the constraints or obstacles we need to remove."

"Removing obstacles... (is) kind of like dislodging a boulder at the top of a hill. All it takes is a small shove, then momentum will naturally build."

"Once a small amount of initial effort was invested to set up the system, it worked without friction."

they started to focus on the cause of the crimes and issue tickets for people who demonstrated desired behaviors. This shift in approach reduced recidivism from 60% to 8% over a decade.

- Businesses often create a minimal viable product—the simplest form of a product to deliver the intended value to target customers. Likewise, you can consider the "*minimum viable progress*" that'll be valuable to your essential task at hand.

- Don't wait till the last minute to tackle your projects. You can achieve superior results by starting early with the *minimum viable preparation*. Ask yourself: "What's the minimum I could do now to prepare?". For example, if you're delivering a speech in 6 months, you can start researching your topic now.

- Make your progress visible and *celebrate small wins* to keep yourself motivated.

Flow. There's extensive research to show that routine can make something difficult seem relatively easy.

- When you learn or do something new, it's always more effortful initially. As you do the same thing repeatedly over a period of time, it becomes a *habit* that you perform without conscious thought, e.g. driving or brushing your teeth.

- Mihaly Csikszentmihalyi found that the most creative people have *routines* that help them to perform at their best. The routines create a natural rhythm and free their minds to concentrate fully on their tasks. By investing some effort initially to establish a helpful routine, you can reduce the struggle of taking consistent action. For years, serial Olympic gold medallist Michael Phelps followed the same routine—from his preparation and training in the mornings to his visualization just before he went to bed. His achievements may have seemed effortless, but in reality they came from years of routine practice and conditioning.

- On the other hand, once bad habits/routines are formed, it can be extremely hard to change them. To *change an existing habit*, you need to first identify the cue that triggers the behavior (e.g. what triggers you to reach for some chocolates?). Then,

KEY QUOTES

"The Essentialist designs a routine that makes achieving what you have identified as essential to the default position."

each time the cue surfaces, make a deliberate effort to change your behavior (e.g. grab a salad instead). Over time, you'll create new neural connections in your brain to forge new habits. You can also create new triggers, such as doing something at the same time and place daily until it becomes second nature to you.

- Develop a routine to *tackle the hardest tasks first*. To keep things fresh, you can also consider having different routines for different days of the week.

Focus. To operate at your peak, you must deliberately focus on what's the most crucial, right now.

- Don't waste energy fretting about past mistakes or future problems. Shift your attention to how you can *make the most of the present moment*. Constantly ask yourself this question throughout the day, week, month and year: "What's the most important *now*?" This keeps you focused on (i) the present moment, (ii) your own game and (iii) what's most vital.

- We can multi-task (i.e. do more than 1 thing at a time such as washing the dishes while watching TV) but we can't multi-focus (i.e. focus on more than 1 thing at a time). *Focus singularly* on your most important tasks. When you're calm and present, you'll also concentrate better, think more clearly and enjoy your task more.

- Whenever you feel overwhelmed, pause and take a deep breath. *Recenter yourself* and ask what's the most important right *now* (not what's important 1 hour or 1 day later). Drop all other items temporarily and focus only on that 1 priority.

Be. Don't add Essentialism on top of everything else in your life. Make it a fundamental part of who you are and how you live.

- Essentialism isn't something that you do, but something that you *become*. It's about thinking, acting and living in a way that allows you to have the greatest possible contribution and fulfillment, so you live a meaningful life without regret. Gautama Buddha left his life as prince to embrace asceticism, eventually attaining enlightenment and founding Buddhism. Mohandas Gandhi gave up his wealth to pursue a simple life dedicated to liberating the oppressed. What will *your* biggest contribution be?

KEY QUOTES

"Every second spent worrying about a past or future moment distracts us from what is important in the here and now."

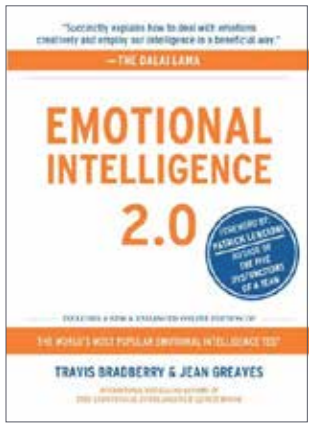
"Multi-tasking itself is not the enemy of Essentialism; pretending we can 'multifocus' is."

"We can all live a life not just of simplicity but of high contribution and meaning."

- As Essentialism becomes an *integral part of who you are*, you'll become more astute about what you put on your to-do list (rather than trying to finish more and more tasks). You'll find it more effortless to achieve results as you remove constraints and install systems to reduce friction. And, with greater clarity, purpose and presence, you'll find much more joy in life and living.

KEY QUOTES

"If you allow yourself to fully embrace Essentialism—to really live it, in everything you do, whether at home or at work—it can become a part of the way you see and understand the world."



EMOTIONAL INTELLIGENCE 2.0

TRAVIS BRADBERRY & JEAN GREAVES

The Big "So What"

Emotional intelligence (EQ) has been widely proven to be an important factor of success. This book explains what is EQ, how you can determine your EQ levels and use a step-by-step program (with 66 proven strategies) to improve 4 key EQ skills.

Introduction

Most of us accept the importance or EQ, yet we don't give it much attention. Studies have found that EQ accounts for about 58% of performance in most jobs, and people with high EQ earn more than people with low EQ. Yet, based on the authors' tests, only 36% of people can identify their own emotions.

What is Emotional Intelligence (EQ)?

Our intelligence (IQ), EQ and personality jointly define how we think and act.

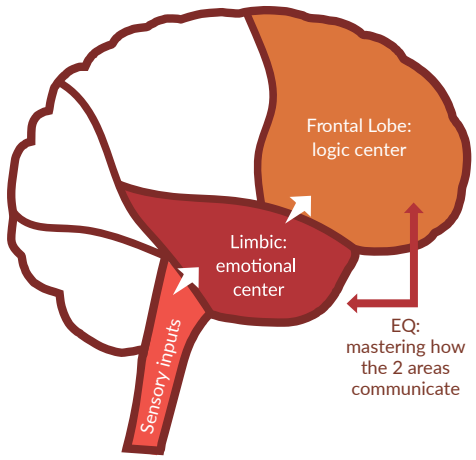
- Your *EQ* is your ability to identify and understand emotions in yourself and others, and to use this awareness to manage your responses and relationships.
- Your *IQ* affects your ability to learn, while your *personality* reflects your preferences and inclinations.
- All 3 qualities are relatively independent. Of the 3, *EQ is the most flexible* and it's easier to improve EQ than IQ or personality.

KEY QUOTES

"Emotional Intelligence 2.0 has one purpose—increasing your EQ."

"We enter the workforce knowing how to read, write, and report on bodies of knowledge, but too often, we lack the skills to manage our emotions in the heat of the challenging problems we face."

Humans are emotional creatures because of how we're wired biologically. Everything we perceive via our 5 senses travels through the body in the form of *electric signals*. These signals enter the brain at the base near the spinal cord and pass through your limbic system (where emotions are produced) before they reach the area where rational thinking takes place.



- That's why you experience things emotionally before logic kicks in, and may be *overwhelmed* by intense feelings like panic, sorrow, exuberance or outrage.

- However, there's a 2-way communication between the emotional and rational centers in your brain, and you can control the thoughts that follow the emotions. Practicing EQ skills help you to form and strengthen new *neural connections* in your brain which eventually form new habits.

KEY QUOTES

"Emotions can help you and they can hurt you, but you have no say in the matter until you understand them."

Understanding, Measuring & Improving EQ

An Emotional Intelligence Framework

In order to improve your EQ, you must know the skills involved and what they look like behaviorally. The authors present **4 key emotional intelligence skills.**

	AWARENESS	MANAGEMENT
PERSONAL COMPETENCE	**Self Awareness** Ability to identify & understand your feelings/tendencies	**Self Management** Ability to adjust & direct your thoughts and actions
SOCIAL COMPETENCE	**Social Awareness** Ability to accurately pick up others' emotions & perspectives	**Relationship Management** Ability to effectively manage interactions & relations

Personal competence is your ability to be aware of your emotions and manage your reactions.

Social competence is your ability to be aware of (and understand) others' moods, behavior and motives, and to manage your relationships well.

Developing a Specific Improvement Plan

Each book comes with a code for an **Emotional Intelligence Appraisal® test**. Use it to find your score (from 1-99) for each of the 4 EQ components, and identify specific areas for improvement.

Focus on only 1 EQ component at a time, to avoid diluting your focus and efforts. The test results will include a recommend of the skill to start with, though you can also pick your own area of focus.

Choose 3 strategies to begin with. Again, the test report will come with specific suggestions, but you are free to choose from the list of 66 strategies in the next section.

Find an **EQ mentor** (who is already strong in your chosen EQ skill), keep practicing and give yourself time to improve.

Measure/track your progress; when you feel you've made enough progress, retake the test and start the next cycle of improvement.

In the following sections, we'll elaborate on the 4 EQ dimensions and 66 proven strategies that you can use to improve your EQ.

Improving Self Awareness

Self awareness is simply knowing what makes you tick. It involves the ability to identify and understand your current emotions as well as your tendencies *across* situations.

KEY QUOTES

"As you transform yourself and bring new skills into your life, you'll reap all of the benefits that this incredible human ability has to offer."

"Self-awareness is not about discovering deep, dark secrets or unconscious motivations, but, rather, it comes from developing a straightforward and honest understanding of what makes you tick."

With self awareness, you **see how you react** to events, challenges and people and understand why these emotions exist.

- When you can *make sense of your feelings*, you'll understand where you can excel, what motivates and fulfils you, and what type of people/situations may trigger certain feelings.
- This in turn allows you to pursue the right opportunities, apply your strengths optimally, and prevent emotions from holding you back from *better performance*.
- Self awareness *lays the foundation* for all the other EQ skills.

Developing self awareness takes time. As you get in touch with your feelings, you'll uncover both positive and negative traits. Embrace all of them, and remember that being aware is already a step toward improvement.

Self Awareness Strategies

Don't judge your feelings as good or bad—it only adds more emotions to the mix and prevents you from seeing the cause of the original feeling. Instead, pay attention when you feel an emotion surfacing, and seek to understand it without judgement.

Observe the ripple effects of your emotional outbursts. Often, they continue to affect others even after the emotion has passed. Take note of how your emotions affect people, ask them for feedback, and consciously *choose* the types of ripples to create.

Lean into your discomfort. Avoiding unpleasant emotions doesn't remove them and they'll keep resurfacing. Instead, face them and gradually work through them.

Learn how an emotion physically affects you. Close your eyes, recall an intensely-emotional incident and notice the physical symptoms e.g. increased heart rate, stomach tightening, shallow breathing. With practice, you'd be able to identify your emotions via these symptoms faster than your brain can diagnose them logically.

KEY QUOTES

"Getting to know yourself inside and out is a continuous journey of peeling back the layers of the onion and becoming more and more comfortable with what is in the middle—the true essence of you."

"It's really the whole picture that serves us. The more we understand the beauty and the blemishes, the better we are able to achieve our full potential."

"Your outpouring of emotions are like stones that send ripples through the people in your life."

"Rather than avoiding a feeling, your goal should be to move toward the emotion, into it, and eventually through it."

"You'll find that you're often physically aware of an emotion long before you're mentally aware of it."

Know what triggers you. Make a list of the exact people, situations, and environments that trigger certain emotions in you. When you know who/what triggers you and how exactly it irks you, you can learn to manage your responses.

Watch yourself like a hawk in the sky, observing how your own emotions, thoughts and behaviors unfold in a situation. When you can see the big picture (including the other person's perspectives or how your emotional reactions may backfire), it's easier to calm down and formulate a more effective response.

Record your emotions in a journal, noting the events/people that trigger strong feelings, the physical sensations you feel, and how you respond. Such entries help you to identify patterns in your emotions and how you tend to react. It also helps you to remember your fleeting responses and progress.

Don't be misled by bad moods. A bad mood can cloud your judgment and make everything seem bad. Be aware when you're in a bad mood, reflect briefly on what may have caused it, and avoid making important decisions during this period.

Don't be deceived by good moods either. Good moods can flood you with excitement and feelings that lead to impulsive actions. Enjoy your good moods but stay mindful of the consequences of your decisions.

Pause and question why you react the way you do. When did you first react like this? Were you triggered by similar people or situations? The more you can identify the source of your emotions, the easier you can manage them.

Connect with your values. We tend to get so caught up with our daily activities that we lose sight of our core values and beliefs. Revisit your values regularly (minimally once a month). Write down your values in 1 column, list down what you've done recently that you're not proud of in a 2 nd column, then identify what triggered those actions.

Check your physical appearance, which often reflects how you feel. Regularly check your clothes, facial expressions, body language, etc., and notice how your mood affects your demeanor.

KEY QUOTES

"Knowing why your buttons are what they are opens doors to managing your reactions to your triggers."

"Once a negative mood takes over, you lose sight of what's good in your life."

"A good mood can deceive your thinking just as much as a bad one."

"The better you understand why do you the things you do, the better equipped you'll be to keep your emotions from running the show."

Use art as a reflection of yourself. Consider the books, movies, and music which you resonate with—what grabs your attention and why? Artists can often express complex feelings which we can't; you can deepen self-awareness by finding your emotions in their work.

Seek others' feedback to identify the gaps between how you see yourself and how others see you. Get feedback for specific situations and put the various viewpoints together to see a bigger picture.

Know when you're stressed. People react differently to stress (e.g. loss of sleep, headache, back spasms). Identify your physical/emotional responses to stress so you can recharge before the stress escalates.

Improving Self Management

Self management is your ability to use your emotional awareness to deliberately choose what you say and do. It enables you to adjust and direct your responses to people and circumstances in a positive way.

It allows you to rein your emotions in, **decide whether to take action and the type of action to take**, such as overcoming your paralysis from fear, or stopping yourself from lashing out in anger.

It also involves your ability to set aside your immediate needs to **focus on longer-term goals**. People who're strong in self-management handle stressful situations and confrontations more effectively, communicate better, and are proactive yet patient.

Self Management Strategies

Breathe right. Oxygen goes first to your body's vital functions, then to the complex functions that keep you calm and focused. Shallow breathing leads to lower energy levels and concentration, reducing your ability to self-manage. When you're stressed, take slow deep breaths via your nose then exhale gently and fully from your mouth.

KEY QUOTES

"By mustering the courage to peer at what others see, you can reach a level of self-awareness that few people attain."

"Success comes to those who can put their needs on hold and continually manage their tendencies.

Use an **Emotions-vs-Logic list** when your head and heart are in conflict. Write down the list of emotional vs logical arguments in 2 columns, side by side. Then ask 2 questions: (a) where could emotions be clouding your judgment? and (b) where could logic be blocking emotional cues? Write these down so you can see the situation more clearly.

Share your goals publicly to motivate yourself to take action. You can even ask someone to specifically hold you accountable and dish out rewards or punishments.

Count to 10. When you sense yourself becoming frustrated or angry, count to 10, taking a deep breath with each count. This will help you to calm down and re-engage your rational brain.

Let things settle. If you're stuck, sleep on the problem, so the dust can settle and emotions can run their course, before making a decision. Time brings clarity and perspective.

Consult a role model. Ask someone skilled in self-management for advice. Ensure you follow-up on the tips.

Smile and laugh. The nerves and muscles in your face send signals to your brain that set your emotional state. To break a negative mood, read/watch something funny, force yourself to smile, or hold a pencil between your teeth to activate the muscles used in smiling.

Set aside 15mins a day for problem-solving. Put away your phone and computer; dedicate this time to thinking without distractions.

Manage your self-talk. An average person has about 50,000 thoughts per day, and such thoughts trigger chemical reactions in the body that affect your emotions and behaviors. Catch yourself with negative thoughts (e.g. "I'm an idiot", "it's all their fault") and replace them with healthier thoughts (e.g. "I fumbled this once", "we can learn from this").

Visualize success. Your brain reacts the same way when you're visualizing something and when you actually experience it. Each night, before going to bed, visualize yourself effectively managing your emotions and acting the desired way. These mental practices help to prepare you for challenging situations.

KEY QUOTES

"Much of self-management comes down to motivation, and you can use the expectations that other people have of you as a powerful force to get you up off the proverbial couch."

"Force yourself to wait for the dust to settle before you make a move.

"There is a strong relationship between what you think and how you feel, both physically and emotionally."

Improve your sleep hygiene. To feel fresh, alert and balanced, you need enough quality sleep, which in turn requires good sleep hygiene. Reset your biological clock with 20min of natural morning sunlight daily, avoid caffeine after noon, avoid working or watching TV in bed, and avoid screens 2 hours before bedtime (as blue light hinders production of hormones needed for sleep).

Focus on freedoms, not limitations. In any situation, you can *always* choose your perspectives. Take accountability for areas within your control (e.g. your attitudes and reactions), instead of fretting about things beyond your control.

Stay synchronized, i.e. check that your body language and emotions are in sync. When your emotions threaten to get the best of you, focus on the task at hand instead of the feelings.

Find an objective sounding board to get fresh perspectives on a problem. Speak with someone you trust who's not emotionally invested in the problem, and who won't blindly agree with you.

Learn from everyone you meet. When you're upset or defensive, you feel stressed and tend to miss out on learning opportunities. By seeking to learn from every interaction (be it about yourself or others), you'll feel more relaxed and open-minded.

Recharge mentally. Schedule time for physical activity; this gives your brain some rest, releases chemicals to improve your mood, keeps you alert, and increases your productivity and effectiveness.

Anticipate change. You can't predict the future. The best way to be prepared is to expect change. Set aside some time weekly/ fortnightly to consider potential changes and actions, so you won't be caught by surprise when they happen.

KEY QUOTES

"Even when you can't do or say anything to change a difficult situation, you always have a say in your perspective of what's happening."

"Approaching everyone you encounter as though they have something valuable to teach you…is the best way to remain flexible, open-minded and much less stressed."

"The key to navigating change successfully is your perspective before changes even surface."

Improving Social Awareness

Social awareness is your ability to accurately tune in to others' emotions and understand what's really going on with them. This requires the willingness and ability to understand others' perspectives even if they differ from yours.

We tend to get so caught up in our own thoughts or emotions that we don't truly consider **the other person's point of view**.

To build social awareness, we must be **fully present**, listen and observe. This means we must silence our self-talk, stop anticipating what the other person may say, and give him/her our full attention.

Social Awareness Strategies

Use and remember people's names. When you're introduced to someone, greet him by his name, picture the name spelt out (or ask how it's spelt), and use it at least twice in your first conversation, so you'd remember the name.

Observe body language, and learn to recognize subtle emotional cues which convey lots of information. Notice if the person maintains eye contact, appears relaxed or fidgety etc.

Pick the right timing. Focus on the other person's emotional state, so you can match your question/message with the right timing and frame of mind. For example, avoid asking for favors when someone is clearly upset.

Have a back-pocket question that you can use if a conversation dies out, the other person is closing up, or you run out of things to say. A question like "What do you think about [add a topic]" can help to revive the conversation.

Focus on people at meetings, not note-taking. We tend to be so focused on taking notes at meetings that we miss out vital nonverbal communications. If possible, focus on listening or watching others at meetings rather than taking notes. Or, at

KEY QUOTES

"To be socially aware, you have to spot and understand people's emotions while you're right there in the middle of it—a contributing, yet astutely aware, member of the interaction."

"Listening and observing are the most important elements of social awareness."

"The body communicates nonstop and is an abundant source of information."

"When dealing with people and their emotions, timing really is everything."

least pause your note-taking regularly to observe people's body language (e.g. facial expressions, who's making eye contact with whom).

Plan ahead for social events, e.g. list down who'll be attending, the talking points you want to use, or things you must bring or accomplish. This frees up your mind at the event to focus fully on the people there.

Remove mental clutter. When someone is speaking, don't interrupt. Stop the internal chatter in your head and avoid formulating your responses as they speak. Instead of trying to impress the other person, focus on learning something from the conversation.

Be fully present in the moment; don't constantly live in past regrets or worries about the future.

Do a 15min walkabout every workday to observe people. Look at people's workspaces, how they interact with one another, and try to pick up their moods and other social clues.

Learn EQ from movies. Movies often reflect real life. Watch 2 movies this month just to observe the characters' emotional cues, body language, relationships, interactions, etc. Notice how conflict builds up and how the characters handle conflict.

Practice listening. Most people think they're great listeners when they're not. Listen not just for the words, but also the tone of voice, hidden meanings and what's left unsaid. This requires focus.

Go people-watching in a public place, e.g. a coffee shop or grocery store. Watch how people reveal their moods/feelings and interact with one another.

Identify cultural rules. We live in a melting pot of various cultures, each with its own set of rules and norms. To succeed in a new environment (e.g. a new workplace), you need to learn its culture. This requires listening, observing and interacting with people over a period of time. Ask specific questions to learn what's acceptable and unacceptable to them.

KEY QUOTES

"To be socially aware, you must be socially present and remove distractions—especially the ones inside your head."

"Watching movies from the land of make-believe is one of the most useful and entertaining ways to practice your social awareness skills for the real world."

"Listening isn't just about hearing words; it's also about listening to the tone, speed, and volume of the voice."

"The secret to winning this cultural game is to treat others how they want to be treated, not how you would want to be treated."

Check for accuracy. If you're unsure about a cue, you can confirm your interpretation by asking a reflective question. State what you see then ask a direct question, e.g. "You seem sad…Did something happen?"

Put yourself in their shoes. The best way to understand someone is to try to see things from their perspective. Ask yourself, "If I were this person, how would I feel, act, or respond?". Think about how the person has reacted in similar situations and if possible, check with them to verify your guesses.

Assemble the whole picture. There's usually a gap between how we see ourselves and how others see us, e.g. your attempt to be proactive may be perceived to be bossiness. Get feedback or do a 360-degree survey to understand what people perceive.

Read the room. Once you're familiar with reading cues and emotions of individuals, you can try reading the mood of an entire room. Try sensing the energy level and mood, observing how people arrange themselves or behave. Or, get someone with high social awareness to share his observations with you.

KEY QUOTES

"Walking in the shoes of another is social awareness at its best."

"Believe it or not, what others say about you is usually more accurate than what you think about yourself."

Improving Relationship Management

Relationship management is your ability to apply the emotional awareness of yourself and others to manage your relations. This includes effective communication, conflict management and forging bonds. Such skills are the most useful during times of stress or conflict, when people either (a) give in to their anger/frustration, or (b) avoid the conflict and let it fester because they don't know how to handle it.

"Working on a relationship takes time, effort and knowhow. The know-how is emotional intelligence."

Relationship Management Strategies

Be open and interested. Be open to share about yourself so others can understand you. Be genuinely interested about others and ask questions to learn about their perspectives.

Augment your natural style. Write down a description of your natural communication style, then list down the positives vs negatives of this style in 2 columns. Choose 3 upsides to use more and 3 downsides to eliminate/improve. Ask your friends, family or colleagues to help you with the list.

Stop giving mixed signals. Be aware when your body language conveys a different message from your words. If you know you're giving mixed signals, explain why e.g. you're still upset over an earlier incident and not over the current conversation.

Remember: small things matter. Small courtesies like saying "please", "thank you" and "I'm sorry" can make a big difference in your relationships.

Receive feedback well. We may respond poorly to feedback if we feel offended or are taken by surprise. Listen carefully, ask for examples of what you said/did to create the impression, and always thank the person for the feedback. Then, use the other strategies to evaluate the feedback and decide what to do with it.

Build trust by opening up first, being consistent in your words, actions and behaviors over time, and fulfilling your promises. Strong relations require mutual trust, which can only be built with time and deliberate effort.

Be as accessible as you can, while realizing that you cannot be available for everyone at all times.

Master your anger. Anger exists for a reason; the challenge is to use it purposefully rather than let it control you. Express your anger appropriately to show the seriousness of a situation or to improve a relationship.

Face the inevitable. When you face an unpleasant situation, don't withdraw or try to avoid it. Instead, find ways to handle or improve the situation. For example, if you must work with someone you dislike, apply your EQ skills to establish mutual understanding, and/or put boundaries in place to make your interaction more constructive for both sides.

KEY QUOTES

"People trust what they see over what they hear."

"Trust is something that takes time to build, can be lost in seconds, and may be our most important and difficult objective in managing our relationships."

"Anyone can become angry—that is easy. But to be angry with the right person, to the right degree, at the right time, for the right purpose, and in the right way, this is not easy."
- Aristotle

Respect and recognize others' feelings, regardless of whether you agree with them. Don't dismiss or try to change these feelings. Listen carefully and summarize what you've heard to show your understanding and concern.

Complement people's emotions or situations. Mirroring someone's emotions may backfire if the person is upset. Instead, identify the person's emotional state and respond in a complementary way. For instance, if someone is asking for help, you may respond in a friendly/relaxed way if he seems calm, but take a serious/urgent tone if he seems agitated.

Show you care. Don't hesitate to show others you notice and appreciate their good work, with a thank you note, small gift, etc.

Explain your decisions. To support a decision, people must understand it. Seek inputs if possible, help people to understand your decision process, the alternatives considered and why the final choice was made. Address how the decision will affect everyone.

Give direct and constructive feedback. Always consider the person who's receiving the feedback and adapt your approach so it'll be clear, constructive, and respectful to him/her. Share your observations, offer solutions, ask the person to share his/her views and thank the person for considering your suggestions.

Align intent with words and actions. Think of the times when you unintentionally caused hard feelings or strained a relationship. Write down your intentions, actions, and others' reactions. Then, analyze what you've learned on hindsight (e.g. cues you missed, varying perspectives) and identify what you can do differently in future.

Fix a broken conversation. When you realize a conversation is deteriorating, focus on restoring communication by saying something neutral like, "This is hard," or "How are you feeling?". This allows both sides to pause and get the interaction back on-track.

KEY QUOTES

"Everyone has a right to experience feelings, even if you might not feel the same way."

"There are people who do great work around you every day. When you care, show it."

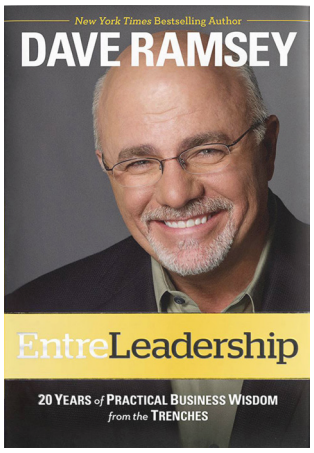
"Remember, feedback is meant to address the problem, not the person…Constructive feedback has two parts: sharing your opinion and offering solutions for change."

"Let go of blame and focus on the repair. Do you want to be right, or do you want a resolution?"

Tackle tough conversations, which will come up no matter how high your EQ is. Use this 6-part approach to manage them:

- Start by stating the *common ground* that you share.
- Ask the other person to share *his/her point of view*.
- *Listen first*. Resist the urge to defend your point of view.
- Help the other person to understand *your point of view* (your logic, feelings, dilemmas etc.).
- *Move the conversation forward*, e.g. "I'm glad we've had the opportunity to talk. I understand your views, and you seem to understand mine. I'm still committed to make this project a success. What are your thoughts?".
- After the meeting, *keep in touch* with the person to see how he/she is doing.

KEY QUOTES



ENTRELEADERSHIP

20 Years Of Practical Business Wisdom
From The Trenches

Dave Ramsey

The Big "So What"

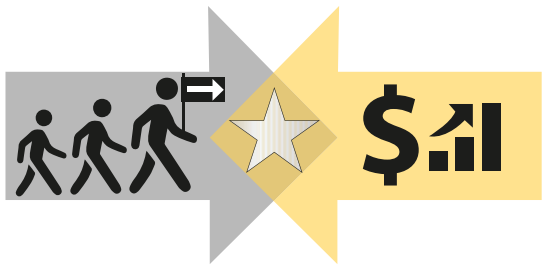
Mistakes are inevitable in business, but you can shorten your learning curve by studying the successes and failures of others before you. This playbook presents philosophies/methods to help you understand business fundamentals and avoid common pitfalls in starting and growing a business.

Introduction

After 20 years in business, Ramsey has experienced what it's like to hit rock bottom, and also what it takes to grow a business from scratch to achieve massive financial success and fulfillment. Fundamentally, your company's performance doesn't depend on the economy, industry or even its people; it all boils down to 1 thing—***you* as the leader**. As you grow and improve yourself, the effects will be felt throughout the organization.

Specifically, a successful business is built on **EntreLeadership**, i.e. a blend of great leadership and entrepreneurship.

- A leader guides and inspires others while an entrepreneur takes on and manages the risks for a venture. In short, an *EntreLeader* leads people in a way that brings growth and prosperity to an enterprise.



- As a boss, you have the positional power to sign a check, hire and fire people etc. However, that doesn't make you a leader. To grow a strong team, you need "*persuasional leadership*" to get people to embrace why you do what you do.

KEY QUOTES

"The point is, you can win in business and have a blast doing it."

"Most of us can list what we want our leaders to look like, but we don't apply it to ourselves."

"If you want employees, then boss them around; if you want team members, explain why you do what you do…don't lead with threats and fear."

- Great leaders are often *servant leaders*—they see leadership roles not as an entitlement but a form of service. They take charge, lead from strength, and send clear signals that everyone is in it together.

- *Passion* is an essential ingredient for success in any organization. When you and your team truly care about what you're doing, it drives action, results, service, and even forgiveness.

Becoming an EntreLeader

Cultivate these vital components in yourself and your team.

Develop your Dream → Vision → Mission Statement → Goals

Without **dreams**, nothing new or exciting would ever be created. Yet, dreams tend to be vague and only start to take shape when you flesh them out with concrete action.

You can create something only if you can see it in your mind. Crystallize your **vision** and share it with your team regularly, so you're all working toward the same vision.

Your **mission statement** captures your dream and vision to guide your goals. According to Dan Miller, a good statement should cover your (i) calling, (ii) skills and abilities, (iii) personality, and (iv) values, dreams and passions. These jointly tell you *who* you are (and aren't), *what* you do (including what you can/want to do), *how* you'll do it and *why*. It'll take time and numerous redrafts to craft a good mission statement.

Goals translate your dream and vision into an actionable form. Develop goals in all key areas of your life including career, finance, spiritual, physical, intellectual, family, and social.

- *Effective goals* should (i) be specific and measurable, (ii) have a timeframe, (iii) be *your* objectives (not someone else's), and (iv) be put in writing.

- *Shared goals* facilitate communication and help people to focus on a wider objective beyond their personal interests.

KEY QUOTES

"You cannot lead without passion. Passion causes things to move, and passion creates a force multiplier."

"Visions are dreams with more clarity. Dreams become reality only when you pull them gently from the clouds and convert them to visions."

"Developing your mission statement forces you to decide in advance what you are and then by definition what you aren't."

"Goals force practical steps into your life to make your dreams come true…Goals convert vision into energy."

Make the Most of your Time

Time is one of your most critical resources. When you **purposefully direct your time** and see progress from your efforts, you'll feel energized. However, when you're fighting fires and going round in circles, you'll feel drained.

Dr Stephen Covey introduced the **4 quadrants of time-use**. Most people focus on Quadrant I (e.g. bills and contract deadlines), get distracted by Quadrant III (e.g. emails and calls), and waste time on Quadrant IV (e.g. TV and social media). We tend to neglect *Quadrant II*—things that're important but not urgent—such as exercise, strategic planning, and personal growth. Yet, this is the quadrant that makes the biggest long-term difference; if left unaddressed, the items here will end up in Quadrant I, leaving you with no time for anything else.

	urgent	not urgent
important	Quadrant I	Quadrant II
non important	Quadrant III	Quadrant IV

Manage your time with a **prioritized to-do list**. Each morning, list down everything you must do. Label them with "A" for things that must be done today, "B" for things to be done soon, and "C" for things that can be delegated or put aside. Then, go through items in the "A" list and rank them (A1, A2...) using this question: "If I can do only 1 thing today, what will be the *most* crucial item?" Do the same for your "B" and "C" lists. *Put A1 at the top of your to-do list* and focus on that above all else.

Meetings are essential in any organization, but they can also be a huge time-waster if not properly managed. Set a clear agenda in advance, have everyone come prepared to address those objectives, and ensure there's proper follow-up after each meeting. [Refer to Patrick Lencioni's "Death by Meeting" for more tips on structuring your meetings to be focused, effective and enjoyable.]

Your desk reflects how organized or disorganized you are. **Clean up** a messy desk—remove, finish or delegate loose items sitting around. Use technology to make your work more productive (but don't waste all your time playing with tech gadgets).

KEY QUOTES

"When scheduling a meeting, take time to prepare for the meeting."

Dare to Make Hard Decisions

A leader must make hard decisions and take action in spite of criticism. To overcome indecision, you must **conquer your fears**, which can otherwise paralyze you. State your fear out loud, so you're aware of what's holding you back and can address it. Step back to examine your worst-case scenario—which is likely to be unpleasant but not fatal—to see your fears more objectively.

Here are some **tips for making good decisions**:

- It's ok to hold off a decision until you have more info or are feeling calmer, but always set a *firm deadline*.

- *Allocate time* based on the size of the decision. Don't drag out small decisions (e.g. making a $10 purchase), but set aside enough time to research and test your options before making big strategic decisions.

- The best cure for fear and lousy decisions is to have *lots of options*. Don't settle for a bad option; keep searching until you find better ones.

- Invest time/effort to *gather information* so you can make sound decisions. Get inputs from both internal and external experts who have real-life experience in an area (e.g. lawyers, marketers). Consult your spouse for important business decisions and you may be surprised at the insights he/she can offer.

- *Coach/equip your team* to make good decisions so your business can eventually run without you. Start by sharing ideas/options with your team members and have them return with 3 proposed options and an action plan. Involve them in the decision-making process so they can learn how you think. Your goal is to reach the point where your team members can make decisions and simply update you on the issue, possible options and how they resolved the problem/opportunity.

KEY QUOTES

"Leadership is not for the weak and the timid; it requires tremendous backbone, tremendous strength."

"A powerful element of good decision making is to have lots and lots of options."

"Ninety percent of making the right decision is the gathering of information…Information removes fear."

- Establish *clear principles/values* for decision-making. For example, Ramsey's team is closely guided by the Golden Rule to "Do unto others as you would have them do unto you."

- Break down *big, complex decisions* into smaller parts. Try writing a report on your decision to activate a different part of your brain and gain clarity.

- Consider the *financial implications* e.g. impact on cashflow and profits. Ramsey recommends not to proceed with an idea unless it (i) can be achieved without borrowing money *and* (ii) won't be fatal even if it's a wrong decision.

Know the Recipe for Great Marketing

Marketing is basically your plan to get your product/service to the customer. It's much more than selling and advertising, but there's no mystery or magic to it. It's about **having the right ingredients and recipe**.

- *Timing* is critical in marketing, including when to enter a market or launch a store/product. For instance, opening a retail store in February could be risky as you must survive many months before the peak sales period between Thanksgiving and New Year.

- The first version of your product is almost never the version that succeeds in the marketplace. Don't overstock for a new product launch. Start small with a *prototype* and keep revamping it.

- Don't rely on your intuition. Always *test, measure and refine* your options. You can do paid research and focus group studies, or find creative ways to get feedback for little/no cost, e.g. asking people to vote on a product cover/design to identify the best option.

- Take the right actions depending on where you are in the *product or market life cycle*:

  (i) Introduction: you've just launched and have no/low profit.

KEY QUOTES

"Have a long-term vision and execute it…slow and steady wins the race."

"A great idea timed poorly can die a thousand painful deaths."

"Allow your idea to die and be reborn repeatedly; it will get better each time."

"Target your idea, test it, measure your results, then change it."

(ii) Growth: sales start to grow and per-unit costs decrease.

(iii) Maturity: the most stable/profitable phase with low costs and high sales, but also when more competitors enter the market.

(iv) Decline: sales and profit start to drop and it's time to reinvent your product or move on to a new one.

- *Move your customers through a funnel*. Draw people in with free/inexpensive services, let them interact with your brand, then progressively introduce more expensive and time-consuming products. For example, you may have 100 people download a free report, of which 15 buy a small service for $69 and 1 buys an expensive product for $4900.

- Spice up the components above with these *essential ingredients*:

(i) Passion: Marketing is only effective if it's infused with energy.

(ii) Scarcity: When people believe your product is scarce and precious, they'd line up and pay a premium for it.

(iii) Urgency: Give people a reason to buy *now*, e.g. offering a limited number of items at a discounted price.

(iv) Momentum: Use the formula below to gain massive traction.

Ramsey's team came up with "**The Momentum Theorem**" to explain how unstoppable momentum can be created:

$$\frac{Fi}{T}\,(G) = M$$

- *F = Focus*. Stay focused; don't be distracted by greed or the fear of failure.

- *I = Intensity*. To get results, pack a lot of activity (promotion, sales calls, advertising etc.) into a short timeframe.

- *T = Time*. Success won't happen overnight. Keep going even if you don't see instant results.

KEY QUOTES

"The more money and time you ask your customers, the fewer will follow you down the funnel."

"The mystery of marketing is not really a mystery. There are just so few people in business who do all the parts intentionally."

"Cram a ton of activity in a small space of time and your marketing engine will run."

- *G = God*. If you're a person of faith, remember that your limited personal abilities can become phenomenal when multiplied by God's unlimited prowess.

What seems like a lucky break is often the result of years of **consistent hard work** behind the scene. With the right recipe and persistence, you too, can create unstoppable momentum.

How to start a Business & Realize your Dreams

It's perfectly fine to **start small** and grow via bootstrapping. There's no point in taking huge loans to launch big, only to collapse quickly.

- It's a good idea to *start a business part-time* while holding a job. It'd mean working much harder initially, but it gives you time to build a proper business foundation. Focus on finding solutions to people's needs/problems. Only quit your job when you have a good chance of sustaining yourself and your business without it.

- Until your business is profitable, just suck it up and do the hard-lifting. You're only ready to *expand* when you're making profits.

Selecting your business. Ideally, you'd want to start a business that makes money and fits your calling/passion. However, don't sit around waiting for the perfect opportunity.

- It's perfectly fine to work for *money* initially; just make sure you do it with passion and excellence as if it was your calling. Don't waste money on programs/courses that promise overnight success. There's no shortcut; do the work.

- In the longer term, it's vital to *find your calling* such that your business matches your skills/abilities, personality, values, dreams and passions. Business is hard work, and you'll need a strong reason (beyond money) to persist. Working on your calling gives you energy, fulfillment, and a clear direction as your business changes and evolves.

Ramsey also explains **franchising and multi-level marketing** (MLM) in detail. In a nutshell:

KEY QUOTES

"Momentum is not a random lightning strike, but on the contrary it is actually created."

"Great oaks are grown from humble beginnings as small acorns."

"Work isn't really hard to find if you look at the needs people have and how you might serve them."

"If you choose well, the way you spend most of your life, your vocation, will truly be a vacation."

"Find something you love doing so much that on the tough days you have a reason to fight on."

- *Franchises* offer an established brand and system to reduce startup risks, but they're not fail-safe. Only take up a franchise if (i) it's your passion, (ii) there're long-term competitive advantages, (iii) you'll still be ok with the model 10 years later, and (iv) you've done reference checks with both successful and struggling franchisees.

- Legitimate *MLM* companies sell their products/services and recruit new members through existing members. You *can* make lots of money with a low cost of entry. Consider this option if (i) you'd like to recruit, train and lead a high-performing salesforce, and (ii) you're passionate about the product/service.

Learn to Hire and Fire Effectively

Turnover is costly as it means (i) time/resources spent hiring and training someone else, (ii) lost opportunities while the person is being replaced, and (iii) reduced team morale. Often, this can be avoided by hiring the right people in the first place.

Hiring. The key is to sieve out people who're not a good fit *before* you hire them.

- Pray to God to send you the right people, or do quiet reflection on the type of people you want/don't want. Define the *key results areas (KRAs)*, i.e. what success looks like for that role.

- *Referrals* are usually more effective than advertising.

- Do an initial *screening* with a short 30-minute interview. Use the resume for an overview of the person's skills/experience, and testing tools (e.g. personality tests) to assess potential fit.

- *Selection*. Observe if the candidate "lights up" when discussing the role. Only hire someone if (i) you can pay them enough to meet their personal needs and (ii) the role fits with their dreams/goals. Don't hire anyone you don't like. Meet their spouse for additional insights.

KEY QUOTES

"Business is easy…until people get involved."

"The person hired properly will perform better, will not cause problems, and will be more likely to stay."

- Use a *90-day probation* to mutually test out the arrangement before making a firm commitment.

Course corrections. It's the EntreLeader's responsibility to demand excellence. Don't close an eye to underachievement or misbehavior, as you'll only endorse and perpetuate mediocrity.

- When someone falls short of expectations, start with a *verbal reprimand* to remind them of what's expected. Keep it short, focus on the problem (not the person), reprimand privately (not publicly) and be gentle/kind.

- Repeat the reprimand as needed, laying out the expectations and *course-corrections* clearly. People may leave voluntarily if they realize that they're not suited for the role.

Firing. There're only 3 reasons for someone to be fired:

- *Leadership breakdown*, e.g. lack of clear KRAs and proper training/resources, or unresolved conflict. Fix it asap.

- *Personal challenges*, e.g. a divorce or a sick child. Understand the issue and treat people the way you'd have liked to be treated, but ensure (i) there's some observable progress and (ii) you can accept a temporary dip in performance.

- *Incompetence*, e.g. skills or behavioral issues. Quantify the gap and identify ways to bridge it (e.g. via training and counselling).

Where possible, give people a chance to improve first. However, release someone *immediately* if (i) you discover a character flaw (e.g. sexual harassment or stealing) or if (ii) the person is found to be unsuitable during the 90 day probation.

Master the Art of Selling by Serving

Sales is not about pushing or manipulating others; it's all about human interaction. Everyone—from production to logistics and customer service—is part of the process of delivering a great product and experience. To **cultivate life-time customers**, you must truly believe in your product, serve customers whole-heartedly, and understand human decision-making processes.

KEY QUOTES

"Treat your team like family and they will act like family."

"When someone doesn't belong on your team you are doing them a huge favor to set them free."

"Don't teach your team techniques to pressure people. Teach your team to serve."

Master the 4 key steps in any sale:

- *Qualification*. Only sell to qualified prospects who have the money, time, need/want and decision-making power to buy.

- *Build rapport*. People will only buy if they trust your company and product/service. You typically have only 1 minute to establish common ground with the buyer and start a dialogue through your website, product packaging, graphics, or in person. You can also find common ground through referrals—make sure you research on the person so you can appeal to commonalities (e.g. same religion, interests) and adopt their personality style (e.g. know whether they require details or speed).

- *Education*. Great salespeople don't push; they *pull* people by serving them. To do that, you need (i) detailed product knowledge, (ii) conviction that your product will help the customer, and (iii) info on how exactly you're stronger or weaker than competitors. Show your clients that they'll get more value than the time/money invested in the purchase.

- *Close the sale*. Never try to close without the previous 3 steps. You can close using several approaches: (i) *feel-felt-found* (e.g. "I understand how you *feel*. I know other people also felt the same way. What they *found* was..."), (ii) *the assumptive close* (i.e. just fill the paperwork and serve the customer), (iii) *the alternative close* (e.g. "would you want to go with A or B"), (iv) *the calendar close* (e.g. "would you prefer the product to be delivered on Date A or B?"), or (v) *the integrity close* (i.e. let the customer bring the product back for a trial period). Sometimes, it's better to ask questions then shut up and let the customer tell you exactly how to serve them. Remember: the sale isn't done until the money's received.

Apply Sound Financial Principles

Becoming financially healthy is actually very simple if you follow the **right principles**.

- Don't make important decisions when you're feeling *emotional*.

KEY QUOTES

"Sales is nothing more than a transference of feeling."
—Zig Ziglar

"Serve, don't sell...A great salesperson pulls someone, serves someone through the process rather than pushes."

"Regardless of the close, no sale has occurred until there is money in the house."

"Some of the most profound truths in any field of study are very simple yet deeply profound."

- Many small businesses sink because they start with insufficient capital, spend too much and run into cash-flow problems. Keep your personal and business accounts separate, and *account for every cent* that's earned/spent in your business.

- Use *business budgeting* to plan ahead. Your initial forecasts will be mainly guesswork, but it'll get more accurate with time.

- *Invest only in things that affect profits*. Don't buy things just to seem credible or to save on taxes.

- *Avoid debt*. When you operate with available/limited resources, you're forced to be more prudent and creative. Loans amplify your risks and the cost of mistakes, to make failure (which are inevitable in business) potentially fatal. Set aside cash or retained earnings for low seasons (so you don't have to borrow) and use debit cards or cash (not credit cards). For large purchases, save up and pay cash, or rent first and buy later. Consider buying used items (instead of new ones) for a fraction of the cost.

- As your business grows, set aside part of your profits as *retained earnings*. Use it (i) as an emergency fund (with 6 months' operating expenses), (ii) for business investments (e.g. hire people, launch a new product), and (iii) to leverage on unexpected opportunities.

- Set aside resources (products/services or profits) so you can *give generously* to your team and meaningful causes.

If your business is in debt or has no retained earnings: (i) temporarily decrease your personal income to the minimum you can live with, then (ii) set aside part of the remaining profits for debt repayment and another part for investment (to grow your cash). Only pay yourself more when you're **debt free with some retained earnings**.

Create a Culture of Communication

When communication breaks down, people imagine the worst; they gossip and speculate, feel frustrated and distrustful

KEY QUOTES

"If you and your business are attractive you don't have to impress anyone with your furniture or toys."

"The truth is that by starting small and gradually expanding you lower risk and minimize the size of the mistakes you will make."

"When opportunity knocks, if you keep some cash you can answer the door."

"Being generous is the hallmark of people who live successful lives and who operate business with soul."

"If the right hand doesn't know what the left hand is doing, disunity, anger, and frustration will fill your company."

If people don't see the big picture, there'll also be lots of missed opportunities. Great companies **constantly reinforce the value of communication** and are intentional about how/what they communicate.

- Keep repeating your company's *dream, vision, mission statement and goals*. Messages won't stick until people hear it many times. Share your company's story and history, as well as the future you're building together.

- *During crises*, it's critical to over-communicate with your team in terms of the frequency and amount of details.

- Don't tolerate any *gossip*. Get people to bring problems to leaders instead of complaining to peers or subordinates.

Facilitate communication using various tools/methods, e.g. weekly company-wide staff meetings (where each department quickly shares what it's doing), focused meetings (between senior leaders or within departments), mail (e.g. email or text messages), and 1-page weekly reports (for team members to consolidate and share what they've done). The goal is to create free-flow communication and alignment across the team. Leaders should also walk around the company regularly, sense the vibes and connect with people face to face.

Build Loyalty and Unity

You can't win your employees' **loyalty** unless you're first loyal to them. You're working with real people with dreams, goals, hopes and pain; get to know each person on your team, fulfill your promises and help them to live better lives.

Unity. Businesses are like a sports team or a music band—individual talent is useless if the members don't play in unity. Unity requires 5 key components: (i) frequent, open communication, (ii) A shared purpose (dream, vision and goals), (iii) no gossip, (iv) conflict resolution (so problems won't fester) and (v) performance management (so there's no sanctioned incompetence).

KEY QUOTES

"When in doubt, over-share."

"Communication is the grease in the gears."

"Hand your negatives up and your positives down. Otherwise it starts to sound a lot like gossip."

Magnify Success with Recognition and Inspiration

Every human being wants to be **recognized and appreciated**. Make the effort to catch people doing the right things. Recognize them with a nod/smile/compliment, in writing, with small tokens, and/or in front of those who matter to them (e.g. their peers or spouses). The key is to be intentional and sincere.

Create an **inspiring environment** by (i) casting vision, (ii) rewarding people when they win, (iii) focusing on a wider cause, (iv) telling stories of your past struggles/triumphs as well as current journey (customer emails, stories of outstanding service), (v) role-modelling your values and passion and (vii) leading by example.

Get a Grip on the Day-to-Day Operations

Get on top of these **3 technical aspects** of operations—contracts, collections and vendors—which affect your business health and send powerful signals to your team and customers.

Don't treat **contracts** as a form of protection or control. Contracts won't guarantee that people perform, keep their word or behave in a certain way.

- When a contract is violated, the cost of suing the other party is often too high to be worth the effort. Your best protection is to deal only with people with *integrity*.

- Instead, treat contracts as a *communication tool* to capture what you've agreed on. Do get a good attorney, consider various scenarios (including the best/worst-case scenarios), craft mutually-beneficial deals and educate yourself on key contractual terms.

Difficulties with **payment collection** are usually a sign of underlying problems, e.g. an unqualified prospect or a poorly-setup sales relationship.

KEY QUOTES

"People only allow themselves to be led when they feel valued and when they are treated with dignity."

"A contract is only as good as the people you are dealing with, so deal only with good people."

"Enter lawsuits only after you are ready to lay siege and wait years for the outcome."

"Collections problems are not the problem, they are the symptom."

- Set up proper *collection procedures*, e.g. a series of courtesy calls/reminders, followed by account termination or a shift to cash-on-delivery after 60/90 days.

- Ramsey recommends that you forgive *bad debts* if your company screwed up the service or if the customer is totally broke. Only consider suing if the customer has the money but refuses to pay, and the debt is a sizable one.

Build strong, long-term relationships with **essential vendors** who supply vital services to your company. Ensure that such vendors (i) are led by people with integrity, (ii) have the capacity to handle your needs, (iii) can operate viably at the prices you want, and (iv) are able to uphold the quality of your product/ service.

Motivate People with the Right Compensation Plans

How much you pay people tells them how much you value them. **Be intentional** about the message you send and reward only what you want more of.

- Use a *blend of compensation tools* including: (i) salary, (ii) profit share, (iii) commissions, (iv) profit and loss bonus (tied to a department or unit's P&L), (v) vesting (salary plus % gross revenue), and (vi) benefits (tailored for your company).

- It's easier to increase than decrease compensation. If you're launching a *new comp plan* (or a plan for an new area), reserve the right to adjust the plan for a period of time.

Delegate Effectively

For your business to grow bigger than you, you must **delegate**. Yet, you can only do so effectively after all the other components above are in place, i.e. you already have a clear vision, culture, operational foundations etc.

Delegating to your team is very much like giving freedom to a teenager. **Trust** is earned each time someone delivers what's promised, and shows that he/she has the integrity

KEY QUOTES

"Salespeople who beg instead of serve end up begging for the customer's money."

"You should outsource because a vendor has knowledge you don't have, can do something you can't do or can do something cheaper than you can."

"Be generous to the people who cause you to win."

"What you spend money on says what is important to you. A company's compensation system is a clear reflection of its corporate values and culture."

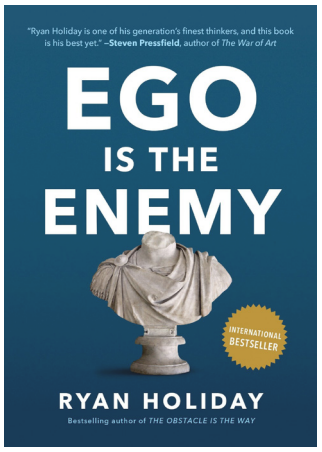
"Competency is about much more than whether the task is accomplished; it is also about how the task is accomplished."

and competency to handle a task in the desired way. The reverse happens when someone fails to deliver on their commitment.

Such a process takes time. Initially, you must **invest time/effort** to teach new people every detail that'd help them succeed in a role. Once you delegate something, make sure you give the person the authority along with the responsibility/ accountability.

KEY QUOTES

"Never give someone responsibility without the authority to perform.



EGO IS THE ENEMY

The Fight to Master Our Greatest Opponent

RYAN HOLIDAY

The Big "So What"

Ego is a primary obstacle to success in any phase of life. Whether you are just setting out, sitting at the pinnacle of success, or reeling from a precipitous fall, you must subdue your ego if you wish to capitalize on your opportunities and gifts. In this book, Holiday shares how we can master our ego to achieve what truly matters to us.

Introduction

By 25 years of age, Holiday had achieved considerable career progress with all the trappings of success, from money to press coverage and influence. Then, things fell apart and he lost his reputation, businesses, wealth, promoters and admirers. As he struggled to reconcile who he was without those success symbols, he realized that his ego had been his undoing—it had deceived him, set him up to fall and kept him from rebounding from failure.

In this book, Holiday shares the deep insights about ego, which he has developed through his personal experience and extensive research. He hopes that the pearls of wisdom will help you to make the right decisions at the critical junctures of *your* life.

What is Ego?

In the context of this book, ego refers to the belief that we're special and better than we really are. It's an inflated sense of self that wraps us in fantasy and blinds us to the truth about ourselves.

- To attain true *excellence and mastery*, you need to face your inadequacies and fears. Ego makes you less receptive to

KEY QUOTES

"I wrote this book not because I have attained some wisdom I feel qualified to preach, but because it's the book I wish existed at critical turning points in my own life."

"I hope you will be less invested in the story you tell about your own specialness, and as a result, you will be liberated to accomplish the world-changing work you've set out to achieve."

"We assume the symptoms of success are the same as success itself—and in our naiveté, confuse the byproduct with the cause."

feedback, miss out on learning opportunities, and lose touch with yourself and others around you. It creates a sense of entitlement, so you blame others when things don't go as expected.

- *Modern culture promotes egotism*. We're constantly surrounded by messages that tell us we're special and deserve success. We can use social media to self-advertise and be "liked", we can self-publish to make ourselves "authors" or even print business cards with fancy titles.

Everyone goes through **3 experiences**: aspiration, success and failure. The book shows how ego can get in the way at each phase, and what you can do about it.

Mastering your ego doesn't mean denying your talents or individuality. It's about putting aside the sense of superiority so you become connected and grounded in reality, and can be confident without being arrogant. This frees you up to focus on your inspiration or mastery, so you'll achieve even more.

Part 1: Aspiration

When you're just starting out, your ego can be an obstacle if you think you already have what it takes and know exactly know what to do. You end up focusing on appearances instead of objectively examining the situation, addressing your shortfalls and doing the hard work with humility and patience.

Big dreams alone won't deliver success in a new venture, and can even derail you if they're not grounded in reality. Success doesn't come from 1 big leap, but a series of small, iterative steps. It's ok to have a big vision so long as you take the **small, concrete steps** to move toward your goal.

There's nothing wrong with talent and ambition. The problem is when they're not backed by real work and achievements. **Build self-awareness, not self-esteem**.

- Don't focus affirming how good you are; self-esteem, talent and potential are useless without realism, effort, and perseverance. It's more vital to develop self-awareness so you know where you stand and what you must learn/do.

KEY QUOTES

"If you start believing in your greatness, it is the death of your creativity."
—Marina Abramovic

"Ego is the enemy of building, of maintaining, and of recovering."

"To whatever you aspire, Ego is your enemy."

"Though we think big, we must act and live small in order to accomplish what we seek."

"Ego is stolen; confidence is earned."

"Facts are better than dreams."
— Winston Churchill

- Union General William Sherman, one of US' greatest military general and strategic thinker, was someone who kept his ego in check in spite of real achievements. He accepted his promotion to brigadier general on the condition that he'd remain second-incommand until he gained the necessary experience. At the siege of Fort Donelson, he ceded command to General Ulysses Grant (whom he assessed to be more suited for the task) and happily played a supporting role. Despite his fame by the end of the war, Sherman chose to do his job humbly instead of seeking political office.

Talk is Cheap

Big talk is no substitute for action and only **hinders results**.

- You can't chatter and think deeply at the same time. Talking exhausts valuable time and energy which could've been better spent on brainstorming, planning, learning, or problem-solving. People also use talk to escape from the difficult tasks at hand—they spend so much time talking about something that they *think* they've done the work or put in their best effort when they haven't done anything of value.

- In 1934, author Upton Sinclair was running for the governor of California. He wrote a book that detailed his political exploits as the governor as if they were already accomplished. Having exhausted his inspiration on the book, he lost the election by a huge margin.

- Social media only encourages us to "talk" more. It's easier to post and tweet about how well we're doing rather than actually do the work. We end up looking great but not getting any real results.

Silence is a mark of strength, not weakness. People who need validation will keep talking about how great they are. People who're strong and confident will quietly do the work and let the results speak for themselves.

KEY QUOTES

"Be natural and yourself and this glittering flattery will be as the passing breeze of the sea on a warm summer day."
— General William Sherman

"Success requires a full 100 percent of our effort, and talk flitters part of that effort away before we can use it."

"Those who know do not speak. Those who speak do not know."
— Lao Tzu

"Silence is the respite of the confident and the strong."

Go for Substance over Image

To satisfy our ego (our pride, need for approval and desire for power/status), we often **choose image over real accomplishment**.

- Titles, accolades and fame do not equate greatness. Don't allow your desire to *appear* successful to overpower your ability to become *truly* successful.

- John Boyd was a brilliant fighter pilot and strategist whose biggest impact came from the people he mentored and inspired. He told his protégés that life is full of crossroads where you have to choose between *being* someone (with wealth, status, fame etc.) and *doing* what you truly believe in (even if it's unpopular or unseen). The choices you make will define your life. Be a doer, not a pretender.

Be guided by a purpose that's larger than you. Each time you're tempted by something, ask yourself if it *really* serves your wider purpose or if it's just your ego calling. Go for true accomplishments in line with your purpose, not the mirage of being accomplished.

Be a Lifelong Student

Learning is a process, not an event. Real success goes to those who keep learning in the University of Life. When guitarist Kirk Hammet was hired by Metallica, he didn't take it as a sign that he had "arrived". Instead, he sought an instructor (Joe Satriani) who challenged him to learn and improve. Hammet went on to become one of the greatest Metal guitarist of all time.

A **great student** is humble, curious, observant, eager to improve and open to feedback. Put aside your ego so you can acknowledge your learning gaps and address them.

KEY QUOTES

"Appearances are deceiving. Having authority is not the same as being an authority. Having the right and being right are not the same either."

"To be somebody or to do something. In life there is often a roll call…To be, or to do? Which way will you go?"
— John Boyd

"The pretense of knowledge is our most dangerous vice, because it prevents us from getting any better."

Focus on Purpose, not Passion

Passion (raw, uncontrolled enthusiasm) isn't enough for success and may even **obstruct progress**. Passion is often a cover for weakness, impatience or naiveté. When you're fueled only by passion, you may jump into something recklessly, or get so lost in daydreams that you neglect real action.

Focus on your purpose instead, i.e. passion tempered with direction, discipline and realism. You can stay in motion without being constantly excited or excitable.

- UCLA football coach, John Wooden, took his team to multiple victories by focusing on hard work and self-control, not the drama around football. Eleanor Roosevelt, one of the most influential female activists in history, was known for her purpose, direction and reason (not her passion).

- Purpose injects a dose of realism to shift the focus away from personal enthusiasm/glory to the often-unglamorous steps needed to deliver real results, including planning, hard work and self-assessment.

Be an Ace Apprentice

Today, many young people are unwilling to serve. They expect to start with a high position, set their terms of employment, and would rather stay unemployed than take a job that's "beneath" them. Many famous people (from Michaelangelo to Ben Franklin) started as apprentices and worked their way **from bottom up**.

If you're just starting out, you're not as great as you think and much of what you know isn't even relevant. Drop the sense of superiority and entitlement and adopt the "**canvas strategy**": be the canvas upon which others can display their work.

- Apprentice yourself to a great person/enterprise, and offer exemplary service in whatever capacity you find yourself. Devote yourself to your superior's success without seeking credit, e.g. share ideas freely, reduce waste, connect people, and do what nobody wants to do.

KEY QUOTES

"Great passions are maladies without hope."
—Goethe

"Purpose, you could say, is like passion with boundaries."

"Greatness comes from humble beginnings; it comes from grunt work."

"Be lesser, do more."

- When you clear the path for others, you're also creating a path for yourself since you'll learn, grow, and become valuable.

Maintain Self-Control

Regardless of who you are or what you've achieved, you will experience **mistreatment**, e.g. indifference, rejection or even sabotage. Your success will depend, at least in part, on how much nonsense you can bear.

Learn to **stay calm and restrain yourself**.

- When others treat you poorly, it reflects badly on them, not you. You're responsible only for *your* response. It takes more courage not to fight back to protect your pride/ego.

- Jackie Robinson suffered much racist opposition while attempting to break into baseball. It wasn't fair, yet he took it in his stride and focused on his goal, eventually becoming the first black player in the Major League Baseball.

Get Out of your Head…into the Real-World

When you spend all the time in the **egocentric world in your head**, you can't make progress in the real world.

- Some people dwell so much on their dreams (as if they're already real) that they lose the ability to take concrete action. General George McClellan spent so much time imagining all the victories he accomplished that he failed to take action for months, leading to many lives lost in reality.

- Others waste all their efforts on polishing their personal brand instead of backing it up with actual outcomes.

Stop thinking that everyone is watching you—they're not. **Stay anchored in reality** and do the work.

KEY QUOTES

"It doesn't degrade you when others treat you poorly; it degrades them."

"You're not able to change the system until after you've made it."

"Don't live in the haze of the abstract, live with the tangible and real."

"There's no one to perform for. There is just work to be done and lessons to be learned, in all that is around us."

Pride Goes Before the Fall

Regardless of whether you're a beginner or a veteran, **pride is damaging** because it deludes you into thinking you're better than you are. It distracts you from the practical tasks at hand. Even if you appear humble on the outside but *think* you're superior, it's still pride.

Don't allow your self image to exceed reality. Seek advice and feedback (not affirmation) and stay focused on your goal (not how great you are). Genghis Khan's advice to his sons and generals was: "If you can't swallow your pride, you can't lead." Ask yourself: what could a humbler person see that you're currently missing?

Keep Doing the Work

Dreams and ideas are worthless if you don't put in the work to bring them to fruition. You can't become a poet by experiencing the poetry in your mind; you must put it into words. And, since there's no end-point to mastery, **your work never ends**. Just keep going.

Your ego doesn't want the hard work; it only wants to share big ideas, get affirmation and applause. Don't "fake it until you make it". Do the work and **actually make it** so you needn't fake it.

Part 2: Success

Once you've achieved some success, it's normal to feel a sense of pride and accomplishment. The danger comes when you start believing that you're special and above the rules. Ego can make you complacent (you think you've "arrived") or push you to blindly pursue more. You stop doing what brought you success in the first place. No matter how much you've achieved, stay anchored in your purpose, values and principles, and remain humble and disciplined.

KEY QUOTES

"Whom the gods wish to destroy, they first call promising."
—Cyril Connolly

"Let's call [pride] what it is: fraud."

"You can't build a reputation on what you're going to do."
— Henry Ford

"There is no triumph without toil."

"Make it so you don't have to fake it."

"You thought it would get easier when you arrived; instead, it's even harder—a different animal entirely."

"Can you handle success? Or will it be the worst thing that ever happened to you?"

Keep Learning

With each success (e.g. getting promoted to a bigger role or growing your business to a new level), you'll face **new challenges**. To stay successful, you must keep learning, improving and adjusting.

- The higher we rise, the more we see and realize how much we *don't* know. Yet, ego pushes us to pretend to know, or to confine ourselves to a niche where we won't be challenged.

- Gheghis Khan was one of the greatest conquerors and military minds in history because he was a lifelong student. With each culture he conquered, he broadened his knowledge of warfare and learned ideas and technologies from smart people like astrologers, doctors, and scribes.

Learn from everyone and everything. Read up on a totally new subject, learn from both your friends and foes, and sharpen *how* you learn.

Focus on Facts, not Stories

It's common for people to look back and **tell stories about their success** as if it was inevitable and they knew exactly how/when they'd get there. The ego filters out doubts, failures, lucky breaks and the fact that they never had complete foresight or control.

Such false expectations can cause you to lose what you've worked so hard to achieve. **Focus on facts**, not stories (be it others' stories, your stories or what others say about you). Coach Bill Walsh transformed the 49ers from worst team in football history to Super Bowl champions in 3 years. He refused to speculate when they'd win the Super Bowl; he simply focused improving the team's standards—from the cleanliness of the locker room to sportsmanship and precision in training/practices. The results spoke for themselves.

KEY QUOTES

"As our island of knowledge grows, so does the shore of our ignorance."
—John Wheeler

"We must be willing to lay down our trophies and pick up the resources for learning."

"Instead of pretending that we are living some great story, we must remain focused on the execution—and on executing with excellence."

Know What Truly Matters

Your ego has an insatiable appetite. Once you've tasted success, it'll keep telling you to **push for *more***. It wants what others have and refuses to accept trade-offs. In reality, you can't have everything. You can't be a faithful husband *and* have many lovers. You can't concurrently be a sumo wrestler *and* a professional ballerina.

Say "yes" *only* if something is **aligned with your goals/priorities**, not for others' approval or for fear of losing out.

- After their Union victories, both Grant and Sherman were celebrities in the country. Grant's desire for fame and fortune led him to run for presidency and later invest in a brokerage house, neither of which were his areas of strength. His 2 terms as President were a political mess, and the brokerage firm left him in financial ruin. On the other hand, Sherman chose to focus on his strengths/interests before retiring in New York.
- Strive for *Euthymia*—a calm confidence in knowing and sticking to your own path.

Recognize the 3 Faces of Ego

Ego creates **3 fatal delusions** that exhaust everyone around us, rob us of the joy of success and invite the exact outcomes that we fear.

- *Entitlement*: We feel that we've earned or deserve whatever rewards we want. We act as if the world is indebted to us.
- *Control*: We want everything to be done our way. We quibble over trivial details or things beyond our control.
- *Paranoia*: We think the world is out to get us or people around us are all fools.

KEY QUOTES

"The more you have and do the harder maintaining fidelity to your purpose will be."

"He who indulges empty fears earns real fears."
—Seneca, Roman advisor

Know What Truly Matters

With success, your roles and responsibilities will **grow and change**. You may have to delegate tasks that you enjoy doing, seek advice from others, and learn to make important decisions.

- Dwight Eisenhower could juggle the heavy responsibilities as the 34th US president and still have time for himself because he resolutely focused on the most critical matters. On the other hand, John Delorean (founder of DeLorean Motor Company) was brilliant as an inventor but terrible as a business owner because he lacked the discipline and focus for execution. To succeed, you must *manage yourself* and direct your resources in line with your goals/principles.

Don't Catch the "Disease of Me"

Championship coach Pat Riley said that there's a pattern among great teams. Before they taste victory, they're "innocent" and work in unity toward a common goal. Once they start winning and attracting media attention, personal egos take over. The "**Disease of Me**" sets in, unity crumbles and results dip. Early in our careers, we're usually more willing to make sacrifices or be looked over. Once we "get there", we feel entitled, start to glorify ourselves and lose sight of the bigger purpose.

General George Marshall's accomplishments eclipsed those of other WWII generals primarily because he stayed out of the politicking and limelight to focus on his priorities—his men and country. There's nothing wrong with wanting to excel and be recognized. The key is to **temper ambition** with humility, purpose and contribution.

Connect with the Big Picture

Self-centered achievements will always leave you feeling isolated and empty. The only way to derive **true meaning** is go beyond yourself. Stoics use *sympathica* to refer to this deep sense of connection to something bigger than yourself.

KEY QUOTES

"Every man is a quotation from all his ancestors."
—Emerson

Whenever you think the world revolves around you, step out and remind yourself **how immense the world really is**. Spend time alone in the wilderness, or visit an important historical site/museum to sense the generations of people and living creatures that've walked the Earth before you (and will continue to do so after you). Yes, you have a role to play. But you're still just a grain in the sands of time.

Maintain Your Sobriety

Our ego tells us we're invincible and can maintain our success with our zeal/enthusiasm alone. In reality, we don't have an infinite supply of energy. We need sobriety (a command of self) to restrain the ego and make **sound judgment** so we don't expend ourselves needlessly.

Don't be deceived by the trappings of success around you. German Chancellor Angela Merkel is a modest, plain and reserved leader, Yet, she was re-elected time and again over her peers. It's possible for successful people to live modestly under the radar, and many do.

Part 3: Failure

Failure (big or small) happens to everyone. There's no point in lamenting how unfair it is. Your response to setbacks will decide your outcomes: stay strong and resilient so you can rebound and move ahead. The end goal is not just to achieve success; it's to know that we can handle whatever life throws at us. John Kennedy Toole took his life after his manuscript for "A Confederacy of Dunces" was repeatedly rejected. His mother eventually got the book published and it won the Pulitzer Prize. The material was the same; what differed was their response.

Exploit Your Downtime

Failure can disrupt our lives and bring things to a standstill. You can **use your downtime** to wallow in self-pity or to improve yourself. After landing in prison at 21 years old, Malcolm X

KEY QUOTES

"Yes, we are small. We are also a piece of this great universe and a process."

"We have to fight to stay sober, despite the many different forces swirling around our ego."

"Failure always arrives uninvited, but through our ego, far too many of us allow it to stick around."

"The only way out is through."

decided to use this time to self-study. His time in prison ended up paving the foundation for his future success. When Ian Fleming was put on bed rest, he wasn't allowed to use a typewriter. So, he started writing with a pen and produced his well-loved fantasy Chitty-Chitty Bang-Bang.

When you're hit with failure, don't dwell on the problems, hide from them, or plot revenge. Reflect on how your choices have led to where you are, and use what you have to **turn things around**.

Do Your Best and Release the Rest

No matter what you do or achieve, there'll always be people who react negatively. Don't let that stop you from **doing what you believe in**. Belisarius was Rome's top commander under emperor Justinian. Despite his victories and service to Rome, Justinian repaid him with jealousy and accusations. According to legend, he had Belsarius blinded and consigned to a life as a beggar. In spite of that, Belisarius retained his equanimity. Right till the end, he dedicated himself to his sacred duty and said "This, too, I can bear; I still Am Belisarius."

Just do your best and leave the outcome in God's hands. **Draw inner satisfaction** from knowing you've done what you should, regardless of others' response.

Rebound from Rock Bottom

At some point, **everyone hits rock bottom**, be it an illness, accident, bankruptcy or betrayal. Crises are actually opportunities to uncover deep insights that'd help us to leap forward. They force us to confront fallacies that we may have been avoiding.

Transformation can only occur if we're willing to **hear and accept the truth**, even if it hurts. Unfortunately, ego tends to deny the truth and reinforce the lie. When Lance Armstrong's doping became public he could have owned up, faced the consequences and moved forward. Instead, he doubled down on his delusion only to do further damage to himself and others.

KEY QUOTES

"We don't need pity—our own or anyone else's—we need purpose, poise, and patience."

"Success is peace of mind, which is a direct result of self satisfaction in knowing you made the effort to do your best to become the best that you are capable of becoming."
—John Wooden

"Do your work. Do it well.... That's all there needs to be."

"There are many ways to hit bottom. Almost everyone does in their own way, at some point."

"We cannot be humble except by enduring humiliations."
—Reverend William Sutton

Don't Make it Worse

Our ego wants to hide our failures and protect our image at all cost. It leads us to take **drastic steps** that only make things worse. When John Delorean's business started to fail, he resorted to drug dealing to raise money, sealing his own ruin when he was arrested.

It's inevitable to mess up now and then. Don't let a loss or bad stretch ruin your whole life. Humble yourself, take ownership for your failure and move forward with **fortitude/integrity**. Steve Jobs' poor leadership and out-of-control ego caused him to be fired from Apple. After devoting himself to his new companies, learning and correcting his flaws in the process, he returned to Apple as a much better leader.

Establish your Own Standards

Successful people don't live by others' standards or try to work around the system. They hold themselves to an inner moral compass and their **own exceptional standards**. New England Patriots' quarterback Tom Brady was selected in the 6th round of their draft pick. When the Patriots realized how good Brady was, they didn't congratulate themselves. They set out to improve their scouting process and investigate how they'd missed such a talent in the first 5 rounds.

Seek to **become the best possible version of yourself**. Focus on staying true to yourself and beating your personal bests. That way, you won't be carried away with a win or feel degraded with a loss. It'll keep you steady and resilient.

Choose Love over Hate

When things go wrong, our ego focuses on **hate and blame**, which only wastes our precious time/energy and makes us feel miserable. Any retaliatory action may also backfire. When Barbara Streisand insisted on removing a picture of her home from the Internet, it only roused people's curiosity and generated *more* views of the photo.

KEY QUOTES

"Most trouble is temporary... unless you make that not so."

"If your reputation can't absorb a few blows, it wasn't worth anything in the first place."

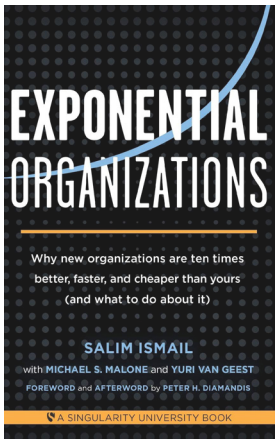
"Your potential, the absolute best you're capable of—that's the metric to measure yourself against. Your standards are. Winning is not enough."

"Attempting to destroy something out of hate or ego often ensures that it will be preserved and disseminated forever."

It's much better to **choose love**: love the person who cuts in front of you in the queue or the colleague who "stole" the credit for your work. If you can't love them, at least forgive them. Let it go. Media magnate William Hearst believed that Orsen Welles' movie, Citizen Kane, was all about him. He poured his wealth and influence into a huge campaign to suppress the film, which succeeded only in putting himself in bad light and delaying the film's success. Welles, on the other hand, responded with restraint and humor. He soldiered on and eventually attained great success.

KEY QUOTES

"Why should we feel anger at the world? As if the world would notice.
—Euripides



EXPONENTIAL ORGANIZATIONS

Why new organizations are ten times better, faster, cheaper than yours (and what to do about it)

SALIM ISMAIL (with Mike Malone & Yuri van Geest)

The Big "So What"

Today, we're surrounded by massive, disruptive changes, which will grow even faster and more extensive. No company or industry is immune. This book equips business leaders with the knowledge and strategies to build and scale organizations that can thrive in times of exponential change.

Introduction

In the early days of agriculture, there was a linear relationship between input (e.g. # oxen or human laborers) and output (e.g. amount of crops). With the birth of machines during the industrial age, the input-output ratio grew dramatically. Large corporations that invested in machines and long-term R&D thrived.

Yet, these large corporations are now being obliterated by a new breed of companies. Between the 1920s and 2014 (when this book was published), the lifespan of Fortune 500 Companies fell from 67 to 15 years. Billion-dollar companies like Instagram, Youtube and Airbnb are achieving exponentially higher growth at a fraction of the time/cost, making it impossible for traditional businesses to compete.

To survive and thrive in times of exponential change, we need to build Exponential Organizations (ExOs), i.e. organizations whose impact or outputs are ≥10x larger than their peers due to how they leverage accelerating technologies. This summary is organized into 2 parts:

- Understanding ExOs: the factors and attributes behind ExOs' exponential growth, and why they thrive in this new environment; and

KEY QUOTES

"We've learned how to scale technology; now it's time we learned how to scale organizations."

"Any company designed for success in the 20th century is doomed to failure in the 21st."
—David S. Rose

"This new age calls for a different solution to building new business, to improving rates of success and to solving the challenges that lie ahead. That solution is the Exponential Organization."

- Building ExOs: how to start ExOs, transit or respond to ExOs.

Part 1: Understanding Exponential Organizations (ExOs)

From Linear to Exponential Growth

Moore's Law says that the power of computation doubles every 18 months. Kurzweil's Law of Accelerating Returns goes further to say that:

- Moore's Law can be found in *any information technology*;
- The accelerated growth is triggered once something (a technology, industry etc.) becomes *powered by information*;
- Once the doubling starts, it *doesn't stop* (because the new tech is used to build even better tech); and
- *More and more technologies* are now undergoing accelerated growth, including medicine, biotech, robotics, artificial intelligence (AI), etc. This means a higher chance of them *intersecting* to create even *more* explosive growth. For example, the introduction of digital cameras brought the marginal cost of photo-taking down to zero. Concurrently, there were exponential changes in social media, smart-phone technology, network speed, etc. When combined, these allowed digital photos to be taken, edited, stored, shared and used in countless ways that weren't even conceivable in the analog age.

ExOs can grow so rapidly because they **rely on information technologies, not physical resources**. This allows them to halve their prices and/or double their performance every 1-2 years.

- Yet, experts and traditional organizations still tend to *think linearly*. In 1990, the Human Genome Project was launched to fully sequence 1 genome. By 1997, the team had only sequenced 1% of the human genome. Experts condemned the project to fail, saying it'd take another 700 years to finish the project. Yet, the project was completed just 4 years

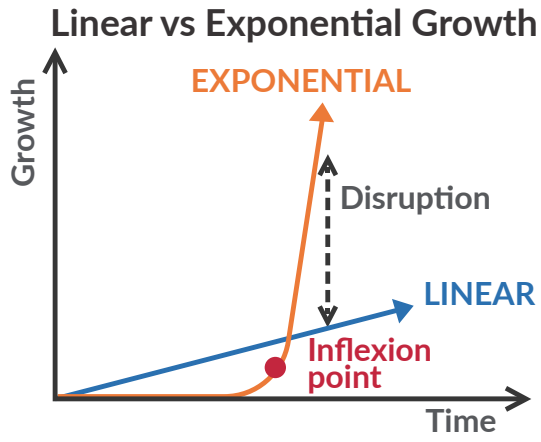
KEY QUOTES

"The era of traditional, hierarchical market domination by dinosaur companies is coming to an end. The world now belongs to smarter, smaller and faster-moving enterprises."

"An information-based environment delivers fundamentally disruptive opportunities."

later in 2001 because it was moving at an exponential (not linear) rate. Genome sequencing continued to progress exponentially, with costs plummeting from $2.7bil for the first project to $100k in 2011 and $1,000 in 2014.

- This same trend can be found across other exponential tech. Average 3D printing costs fell 400x in 7 years, industrial robots cost fell 23x in 5 years, solar costs fell 200x in 20 years, and so on. The internet and and info revolution may have brought *disruptive changes* to many industries (e.g. publishing, travel, advertising), yet we've probably seen only <1% of the changes to come in the next 30-40 years.



Linear thinking works in a stable/predictable environment, where past successes can be used to project future growth. In face of exponential changes, you need a **fundamental shift in thinking**.

- In 2007, Nokia invested $8.1bil to buy Navteq, the market leader in road sensors. That same year, Apple launched the iPhone, catalyzing a tsunami of changes in smartphones and related apps.

- A small Israeli company, Waze, soon entered the market. Unlike Nokia (which followed old rules and invested in physical infrastructure), Waze used crowdsourcing to tap on the GPS sensors on users' phones. They could gather traffic data rapidly and ride on technology upgrades on users' phones without heavy hardware investments. Waze grew exponentially and was acquired by Google in 2013 for $1.1bil. Nokia's market valuation tanked and was knocked out of the game.

ExO Characteristics and Attributes

The authors **studied 100 fastest growing startups** globally over 6 years, focusing on ExOs that grew their outputs by at

KEY QUOTES

"When you think linearly, when your operations are linear, and when your measures of performance and success are linear, you cannot help but end up with a linear organization."

"Traditional linear thinking doesn't work in an exponential world. Simply put, it cannot compete."

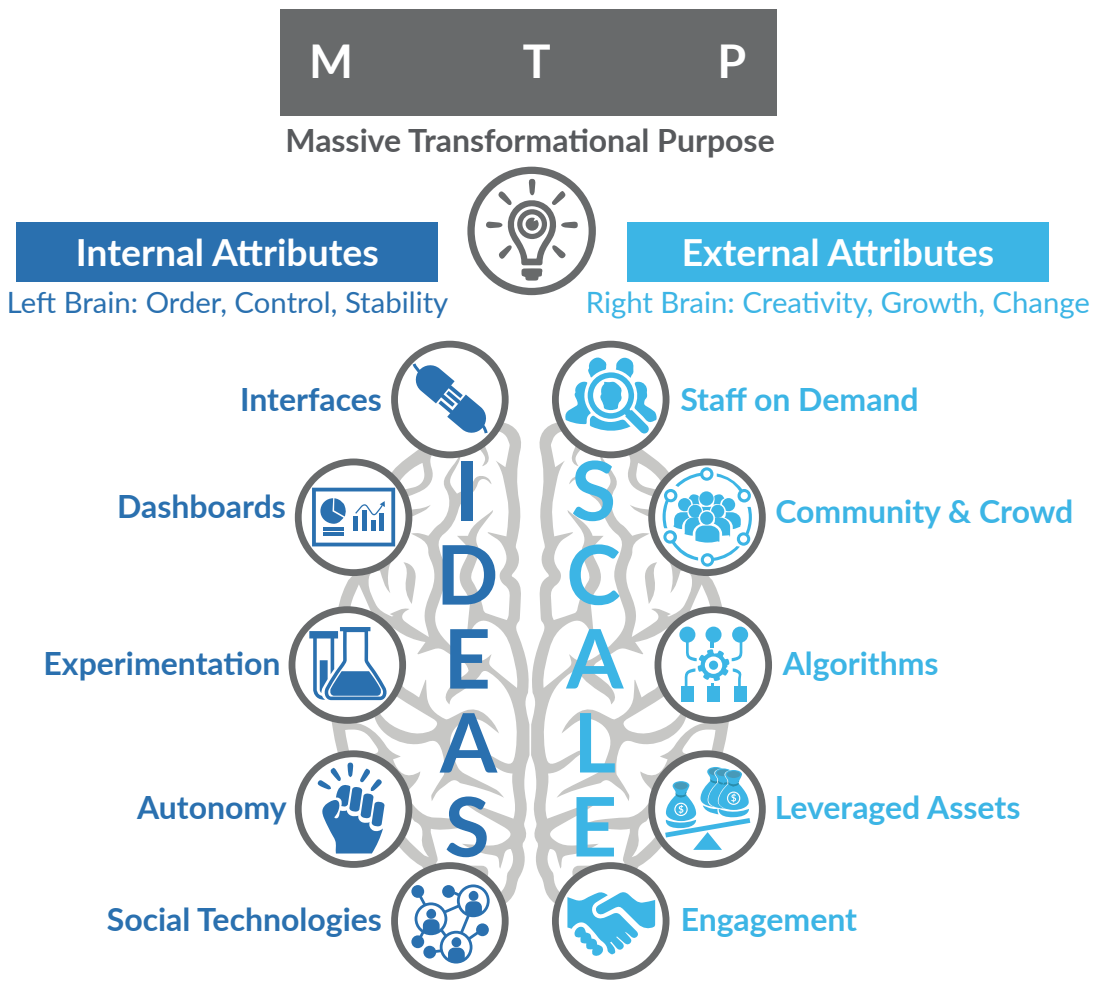
least 10x in 4-5 years. These included: Airbnb, GitHub, Local Motors, Quirky, Google Ventures, Valve, Tesla, and Tangerine.

- Each of these ExOs *reached billions in valuation in <6 years*. For example, Quirky can bring a product from concept to retail shelves in just 29 days (vs 253 days for an average Consumer Packaged Goods company). Airbnb reached almost $10 bil in valuation—more than Hyatt Hotels—within 6 years of its startup, even though it had no physical assets.

- *All* of these ExOs (i) leverage resources that they don't own, and (ii) use information as a key driver. In particular, each ExO fulfills *at least 4 of 11 key attributes* including:

  (i) A Massive Transformative Purpose (MTP); and

  (ii) ≥3-4 of 10 key internal/external attributes that accelerated their growth. These are akin to the 2 two hemispheres of the brain—the right brain focuses on creativity and growth while the left brain focuses on control and stability.



KEY QUOTES

"The real, fundamental question of our exponential age is: 'What else can be information-enabled?'"

Massive Transformative Purpose (MTP)

Every ExO has an MTP or a **higher, aspirational purpose** that drives them to pursue unconventional strategies and rapid growth.

- An effective MTP must be unique and supported by leaders who walk the talk. It must also be *aspirational*, i.e. it captures what the ExO aspires toward, e.g. "Ideas worth spreading" (TED) or "Organize the world's information" (Google).

- It's broad enough to capture the imagination and ambitions of both internal and external stakeholders, creating a *cultural movement and ecosystem* around the ExO. Think of Apple fans queuing up for their product launches and the large community of iOS app-developers.

A strong MTP offers real **competitive advantages**:

- It creates a strong *brand positioning* that's hard to dislodge.

- It attracts *talent*, acts as an anchor in face of change/ uncertainty and thus reduces acquisition, retention and attrition costs.

- An ambitious MTP solves a big problem to create *economic value*.

5 External Attributes: SCALE

Staff on Demand (SoD). In a fast-changing environment, it's hard to keep employees' skills and knowledge updated. Most ExOs don't have permanent, fixed relationships with the bulk of their workers. For example, Gigwalk taps on a network of smart-phone users who can be hired for gigs.

- With billions on people on the internet, a growing number and quality of freelancers as well as hiring platforms, it's now possible to *get talents for almost anything*. P&G uses Gigwalk's network to do real-time checks on their stocks on supermarket shelves. Insurance giant Allstate uses contests

KEY QUOTES

"Aspirational brands create positive feedback loops in the ExO's community: customers feel good about the products and are increasingly proud to be part of a larger, virtuous movement."

"No matter how talented your employees, chances are that most of them are becoming obsolete and uncompetitive right before your eyes."

to improve its algorithms. CEOs can even hire people to track and manage their board of directors.

- SoD provides *several benefits*, including (i) low fixed costs, (ii) flexibility to rapidly scale up/down or change your skills-mix, and (iii) diversity and fresh ideas.

Community & Crowd. ExOs customers are often connected in self-supporting communities. They work with each other and with the ExO. Chris Anderson's "DIY Drones" community managed to design and build a $300 drone that's similar to the US military's Predator drone (which costs $4mil).

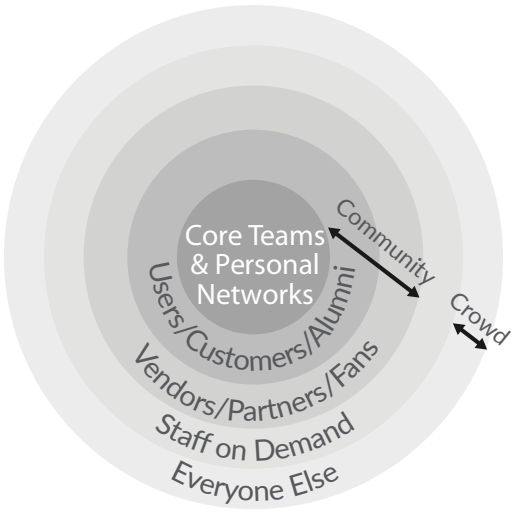
- You can find *communities* on the internet for almost any interest, goal or belief. Startups can join existing communities, then branch out after building a critical mass. To build a community:

  (i) Use the MTP to attract and engage your initial members.

  (ii) Nurture the community by listening and contributing to it. Treat this as a long-term investment, not a transactional relationship.

  (iii) Create a platform to facilitate/automate peer-to-peer exchanges, like how Airbnb connects hosts and users for bookings and reviews.

- *Crowds* are beyond your core community. They're harder to reach, but include many more people. You can leverage on crowds for (i) creativity (e.g. generate, develop or spread ideas & innovations), (ii) validation (e.g. check if a product/service meets expectations), or (iii) funding (e.g. via crowdfunding).



Algorithms and AI can reduce human biases and errors in decision-making, as well as handle complex modelling. Google grew its revenue by >100x from 2002 to 2012 primarily due to its PageRank algorithm. Today, it uses data in *all* aspects of its operations.

KEY QUOTES

"If you build communities and you do things in public, you don't have to find the right people, they find you."
—Chris Anderson

"True community occurs when peer-to-peer engagement occurs."

"Almost all the business insights and decisions of tomorrow will be data-driven."

- There are now *2 types of algorithms* shaping the future:

  (i) Machine Learning (ML) is about using training/historic data to predict and perform new tasks, e.g. using past movie ratings to create algorithms for movie recommendations.

  (ii) Deep Learning (DL) is a subset of ML. It's about using discovery and self-indexing (*without* historical/training data) to identify/learn new patterns. It's similar to how a child picks up a new language.

- ExOs typically *apply algorithms in 4 steps*:

  (i) Gather data (via humans/sensors or from external sources);

  (ii) Organize the data (extract → transform → load);

  (iii) Apply ML or DL tools (to analyze trends, insights or create new algorithms); and

  (iv) Expose the data to the ExO community, so they can use it to develop new services, functions or innovations.

Leveraged Assets. It's common for businesses to lease non-strategic items like office space or copiers. However, ExOs also lease assets in *strategic* areas, e.g. Airbnb doesn't own the rooms being rented out. This (i) lowers the marginal cost of supply, (ii) removes the need for assets management, and (iii) provides the flexibility to scale up/down quickly. The only exception could be for scarce resources (e.g. Tesla owning its factories).

Engagement is about creating positive feedback loops that improve loyalty, ideation and learning, all of which allow ExOs to create network effects for rapid growth.

- *Key techniques* include: gamification, digital reputation systems, and incentive competitions (e.g. prizes for the best ideas or the "Employee of the Month" award). Effective engagement usually involves elements like social comparison, a sense of control/impact, clear rules/goals, instant feedback, a scoring system, and rewards for outputs/results.

KEY QUOTES

"Gaming isn't just something that young people do, it is a large part of what and who they are."

- It can increase *collaboration, loyalty and innovation* in both internal and external ecosystems.

5 Internal Attributes: IDEAS

Interfaces. SCALE generates so much external data/activities (and at such a fast pace) that ExOs must have strong internal mechanisms to robustly filter and match these inputs to their internal goals. Interfaces basically act as the *bridge* between external growth drivers and internal stabilizing factors.

- Interfaces usually start out as manual processes (which are slower and more error-prone). Over time, they're *progressively automated* until the ExO can run certain processes fully on algorithms, e.g. Google Adwords use algorithms to manage online searches/ads. Quirky's interfaces help it to filter, rank and manage >1 million inventors in its community.

- Such interfaces are usually *unique and proprietary* to the ExO, and become a valuable intellectual property.

Dashboards. ExOs make key external/internal data clear and accessible to everyone.

- Today, it's much *easier to collect and process data* like #users, registrations, upgrades, and cash receipts. With technology (e.g. Internet, cloud and sensors), you can also track and analyze data across time and geographical boundaries.

- ExOs widely use *Objectives and Key Results (OKRs)*: they define where they wish to go (objectives) and the metrics (key results) that'd tell them if they're on-track. Focus on *value metrics* that provide real insights for business growth (e.g. repeat usage, retention %, Net Promoter Scores). Put these metrics on a *live dashboard* so you can evaluate your organization's internal and external performance real-time and take timely actions.

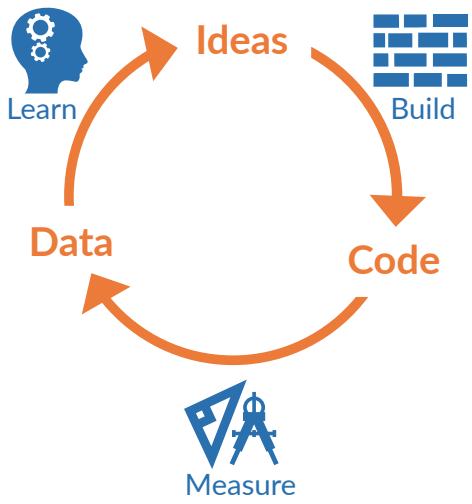
Experimentation. With today's rapid rate of change, you can't afford not to try new ideas. Use experiments to quickly test and filter lots of ideas at minimal costs/risks.

KEY QUOTES

"Interfaces are critical if an organization is to scale seamlessly, especially on a global level."

"Large numbers of bottom-up ideas, properly filtered, always trump top-down thinking, no matter the industry or organization."

- Use the *Lean Startup approach* to constantly test assumptions and validate ideas in the Build-Measure-Learn loop, i.e. research customer needs → test if an idea fulfills those needs → refine & test next iteration. Your goals are to (i) know asap if you're on the wrong track, and (ii) discover new insights/paths that you wouldn't otherwise have considered.



- In ExOs, ideas are generated and tested at *all parts of the organization*. For example, Adobe Systems encouraged its employees to pursue new ideas by equipping them with a workshop, a startup guide, $1,000 seed money, and support from innovation coaches.

- Successful experimentation requires a *willingness to fail*. Validate ideas in weeks or months instead of wasting time/resources building things the market doesn't want. If a product doesn't meet your goals, pivot or redirect the resources elsewhere.

Autonomy is about having small, self-organizing, multi-disciplinary teams that operate with decentralized authority.

- This allows the organization to *innovate and evolve rapidly*. For example, gaming company Valve Software gives its staff the freedom to join or start projects that fit the company's MTP.

- *Autonomy ≠ No accountability*. The difference is, people and resources are organized around competencies and results (not job titles). People are regulated by peer-accountability (not top-down authority).

Social Technologies are about using digital mediums and platforms to achieve *3 key goals*: (i) close the gap between info and decision-making, (ii) let info flow to you instead of having to look for it, and (iii) leverage communities for ideas.

- These can be broken down into *7 main components*: (i) social goals (e.g. manage employee relations), (ii) activity streams (e.g. share key data/updates), (iii) task management

KEY QUOTES

"Success is a lousy teacher. It seduces smart people into thinking they can't lose."
—Bill Gates

"Autonomy is a prerequisite for permissionless innovation."

(e.g. dynamic metrics & results-tracking), (iv) file-sharing (using tools like Google Drive or Dropbox), (v) telepresence (e.g. connect via videoconferencing), (vi) virtual worlds (where people can collaborate & interact), and (vii) emotional sensing (using tools like sensors or neurotech).

- Social technologies can increase transparency and connectedness to *accelerate decision-making, learning and innovation*. This reduces the time taken for a fresh idea to be reviewed and implemented.

Most ExOs do *not* have all 10+1 attributes. Generally, if you have ≥4 out of 11 attributes, you're likely to achieve 10x better performance. You can use the diagnostic test in the book to evaluate how exponential your organization is.

9 Dynamics of an ExO Ecosystem

Ultimately, ExOs internalize certain philosophies that shape how they think and act. The 10+1 attributes are a manifestation of those philosophies and explain how ExOs exploit 9 key dynamics.

Info-enabled acceleration. Once something physical is digitized and info-enabled, it gets on the accelerated growth path of Moore's law. When digitization happens concurrently in multiple domains (like the case of digital photos), the combined effects are explosive. Increasingly, we'll see winner-takes-all markets emerging, e.g. 1 search engine (Google), 1 e-commerce site (Amazon).

Demonetization. The internet offers abundant resources at low/no costs, creating new opportunities and rendering many business models obsolete.

- The marginal cost of *sales and marketing* has fallen to almost zero with free advertising options like Craigslist and Amazon. Companies with a high Net Promoter Score (which measures how likely a customer will recommend a brand or product to others) basically have free sales through word-of-mouth.

- The same trend is found in *other areas*, from R&D to delivery. Social networks, crowdsourcing and "collaborative

KEY QUOTES

"Once you change the substrate from a material, mechanical basis to a digital and informational one, the match is lit for an inevitable explosion."

"Whatever business you are in, chances are your competitors are not what they used to be."

"As technology brings us a world of abundance, access will triumph over ownership."

consumption" (e.g. coworking space, car-sharing) have revolutionized markets. For example, it costs Uber almost nothing to add a car and driver; it costs Airbnb almost nothing to add an additional room. Access is now more important than ownership.

Disruption is the new norm. In the past, disruption was rare. Today, it's *expected*. It's also more likely to come from startups than incumbents. There's a common pattern for disruptive innovation: Something is info-enabled → Costs drop drastically & access is democratized → An open-source community emerges → Convergence with other new tech brings phenomenally better & cheaper products/services → Status quo is disrupted.

Beware of Experts. The best innovations tend to come from people *outside* a domain with fresh perspectives, not industry experts. The authors believe that ExOs will increasingly adopt a hybrid approach, where experts highlight challenges and suggestions, but the best solutions are validated by geeks, using data.

Thrash the 5-Year Plans. In face of complex, exponential changes, you can't accurately predict the future. 5-year strategic plans are potentially dangerous as your forecasts may be so off-the-mark that you take the company down a wrong path. Instead, it's better to:

- Establish a clear vision or MTP;
- Set up an ExO structure (including dashboards with live metrics);
- Make effective strategic decisions; and
- Implement with a 1-year plan (or less), refining your approach along the way.

Small triumphs big. Today, the benefits of being nimble and flexible far outweighs those from economies of scale. Small organizations can now access resources that were previously available only to the big boys. In addition, they can take bigger risks since they have limited downsides and huge upsides. So, what happens when ExOs become big and successful?

KEY QUOTES

"You now must assume that someone will disrupt you, and often from a direction you least expect."

"History has shown that the best inventions or solutions… almost always come from outsiders….who offer a fresh perspective."

"In an exponential world, the five-year plan is not only unworkable, it is seriously counterproductive."

"Both now and in the coming years, adaptability and agility will increasingly eclipse size and scale."

So far, established ExOs tend to evolve into platforms that enable *other* companies to grow in a symbiotic way (e.g. Google, Facebook, Amazon, Apple).

Rent, not own. There're a growing range of technology and tools that can be rented at low cost, from cloud computing to labs and even aircraft engines. You can also rent people, from temps to groups or people-on-demand.

Trust and openness are vital for fast info-exchange and decision-making, to assess performance honestly and evolve quickly.

Anything is measurable and knowable. With new tools and sensors, it's a matter of time before *everything* inside/outside your body can be measured and diagnosed. You can also tap on billions of smartphone users—each equipped with cameras, apps and GPS—to measure, record, track and share all sorts of data.

Part 2: Building an Exponential Organization

Starting an ExO

Any startup—be it a brand new startup or a "startup" within an existing organization—must address **3 key startup risks**:

- *Technology risk*. Costs for servers, cloud-computing, coding etc. have plummeted in the last decade. You can also plug in to many third party software using API functions. Thus, tech risks are now negligible for info-based or info-enabled businesses.

- *Market risk* is also negligible given the range of options for A/B testing, digital marketing and even crowdfunding. Now, you can validate an idea and even sell something before you produce it.

- *Execution risk* is the only real risk, and this section addresses how to set up your team/organization to minimize this risk.

KEY QUOTES

"Transparency is the new currency. Trust is the bill we'll just be paying for."
—Theo Priestley

"We are moving toward a world in which everything will be measured and anything can be knowable…Only enterprises that plan for this new reality will have a chance at longterm success."

In 2013, Aileen Lee released findings on success factors of "Unicorns" or US-based software startups with >1bil market cap. These are basically high-performing ExOs. Notably, most of them stuck to their original vision (or MTP) instead of pivoting to a different area. Drawing from Lee's research and their own analyses, the authors break down the **key steps involved in building an ExO**:

- *Select an MTP* that's an extension of the founders. Ask questions like: What's the biggest problem I'd like to solve? What do I truly care about? What am I meant to do? Ensure your MTP is indeed massive, transformative *and* purposeful.

- *Join/start relevant communities* that share your MTP. Build long-term relationships instead of trying to reap short-term returns. Always do/choose what's good for the community, not the company.

- *Build a synergistic core team*. Ensure everyone is passionate about the MTP. Have a diverse team with complementary skills (including visioning, user experience design, engineering, and business).

- *Breakthrough idea*. An ExO idea must be transformational, i.e. it must (i) deliver ≥10x improvement over the status quo, (ii) leverage info to drastically cut the marginal cost of additional supply, and (iii) offer a solution that customers will use several times a day. Be prepared to persevere through many iterations and/or investor pitches before you achieve your breakthrough.

- Use the *Business Model Canvas* by Osterwalder to consider how to bring the idea to market. Keep it simple.

- *Develop a Business model*. Disruption usually comes from new business models, not new products. Typically, these are freemium models that (i) use 8 new value drivers below (by Kevin Kelly) to generate revenues, and (ii) align/partner with other ExOs to disrupt an entire domain instead of just 1 product/service.

KEY QUOTES

"An MTP is not a business decision. Finding your passion is a personal journey."

"Whatever your passion...there are communities out there filled with other passionate, purpose-driven people devoted to the same crusade."

"This is about conviction and passion on the one hand, and radical, unconventional, breakthrough ideas on the other."

"If you're going to achieve a 10x improvement, there's a strong likelihood that your company will require a completely new business model."

Value Driver	Description
Immediacy	Let people be the 1st to know about or experience something of value
Personalization	Tailor something to make it "sticky": improve the experience, ease-of-use or functionality
Interpretation	Make something faster, easier or better to use
Authenticity	Give assurance that something is reliable/safe/warranted
Accessibility	Help people to organize and find things quickly
Embodiment	Give digital info a physical form (e.g. movie screen, smartphone)
Patronage	Let fans show their appreciation: make it easy to pay, have a reasonable fee, and show how it'll help the creator
Findability	Stand out amidst all the noise

- *Build a Minimum Viable Product (MVP)*. This is the simplest possible form of the product to test assumptions and gather feedback for the next product iteration.

- *Validate Marketing & Sales*, i.e. attract qualified prospects and convert them into users.

- *Implement SCALE + IDEAS*: Start with at least an MTP plus 3-4 other attributes.

- *Establish your culture* to anchor the organization amidst ceaseless change. Design your OKRs, introduce transparency, accountability and excellence, then track, manage and reward performance.

- Repeatedly ask *8 key questions*: Who's your customer? What customer problem are you solving? What's your solution (and does it improve status quo by ≥10x)? How will you market it? How will you sell it? How do you turn customers into advocates? How will you scale your customer segment? How will you drive the marginal cost of supply towards zero?

- *Build & maintain a platform*, using 4 steps by Sangeet Paul Choudary: Identify a pain point (or use case) for a consumer → Identify a core value unit of interaction that you can leverage (e.g. pictures, reviews) → Find ways to facilitate that interaction → Find ways to build a network around that interaction.

KEY QUOTES

"In a fast-scaling organization, culture…is the glue that keeps a team together."

Unlike new startups, **Enterprise ExOs** (EExOs) face extra resistance from their parent companies. To address that:

- Only target *new markets*, to avoid being attacked by your own parent company. Set up a small, autonomous unit to do so.
- Get direct *support from the CEO*.
- If you're successful, *spin it out* as a new company with its own systems and policies.
- Get the *biggest rebels and change-makers* in your organization to work on the EExO.

Transforming Mid-Market Companies

To transform an established company, you must use what you already have. This means that the approach varies with each case and there's no fixed formula. Generally, there're **2 prerequisites**: (i) a highly adaptable culture and (ii) a visionary leader who's fully supported by the board and senior management.

The authors present several **case studies** (including GitHub, Coyote Logistics and GoPro) to show different scenarios. For example:

- TED (Technology, Entertainment, Design) Conference was created in 1984 by Richard Saul Wurman. It grew steadily and was a stable company. In 2001, Chris Anderson acquired TED and transformed it with 2 major changes: (i) all past/new TED talks were made free on the Internet, and (ii) a toolkit was created to let TED members create their own TEDx events.
- TED grew exponentially by leveraging its MTP ("Ideas Worth Spreading") and several ExO attributes. These included: (i) community & crowd (the TED community), (ii) algorithms (to choose TED talks to promote), (iii) interfaces (for creating TEDx events), (iv) dashboards (with live statistics on TEDx events) and (v) experimentation (to test different formats).

KEY QUOTES

"When it comes to established companies, every ExO solution is a custom creation."

ExOs for Large Organizations

In most cases, large organizations *fail* to transform themselves due to **3 inherent obstacles**: they (i) focus inward (not outward), (ii) focus on technologies that can be leveraged with existing expertise (not converging/adjacent tech), and (iii) rely on internal (not external) innovation.

The authors presented **4 strategies** that large organizations can use to move toward ExO thinking while retaining their core businesses:

Strategy	Sub-strategies & Tips
Transform the Leaders	• Educate **senior leaders** on accelerating technologies/trends • Educate the **board** and use OKRs to track their performance • Have **diversity** (age, gender, experience) amongst senior leaders • **Match employees to roles** based on skills & leadership levels
Collaborate with, invest or acquire ExOs	• **Create internal ExOs** when (a) the opportunity is 1-2 adjacents away from your core business, (b) there's no urgency yet, and (c) the company can hire the required talent. • **Acquire ExOs** if (a) the market is strategic but very different from your current model (≥3 adjacents away), (b) the market inflexion point is near, (c) it's hard to hire the right talent. • **Partner with external ExOs** if there's no short-term strategic need to own it. Use the chance to learn so you're in a better position to start or acquire ExOs in future.
Disrupt[X] i.e. leverage disruptive technologies	• **Incubate ExOs at the Fringes**. Identify proven changemakers → Re-assign them to emerging opportunities that can scale quickly to become new core businesses → Give them flexibility to build ExOs using the Lean approach. Provide minimal resources (to push their limits) but encourage them to leverage existing eco-systems and develop new market/ product areas. • **Create Black Ops Teams**, i.e. secret internal/external teams to compete with each other, disrupt the mothership, and address blind spots & weaknesses that'd otherwise be overlooked. Copy Google[X], i.e. start your own accelerating tech lab to (i) develop breakthrough innovations at budget prices, and (ii) leverage your core competencies. • **Partner with accelerators, incubators and hackerspaces** (e.g. TechShop, Singularity University Labs).
Implement ExO Lite	**Minimally incorporate these attributes in your organization:** • Migrate toward an MTP; and • Explore a combination of these attributes: Community & Crowd, Algorithms, Engagement, Dashboards, Experimentation, Social Technologies.

KEY QUOTES

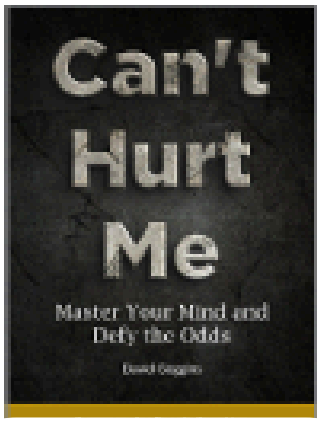
"The core competencies of a large organization combined with new technology breakthroughs create a potent force that can generate a new future for many big legacy companies."

The book includes several **case studies**—such as The CocaCola Company, Haier, Xiaomi, General Electric and Zappos—to show how large organizations are applying the 4 strategies above.

The Exponential Executive

C-level executives (e.g. CEO, CMO, CTO, CFO) will increasingly have to make crucial, time-critical decisions in face of exponential technologies and ExOs. In the book, the authors also outline (i) a list of key accelerating technologies (e.g. sensors, data science and analytics, virtual/augmented reality, bitcoin/blockchain), (ii) related meta-trends, and (iii) key questions, opportunities and implications for various C-level functions.

KEY QUOTES



CAN'T HURT ME

Master Your Mind and Defy the Odds

David Goggins

Introduction

"Can't Hurt Me" is a memoir by David Goggins—a retired Navy SEAL, a Guinness world record holder, and an ultramarathon runner.

- This book chronicles his *remarkable transformation* as he overcame adversity, mastered his mind, and pushed past his limits. Specifically, Goggins shared how he overcame childhood physical abuse, racial prejudice, learning disabilities, went from being overweight to one of the fittest men in the world, and achieved endurance feats from 100-mile races to breaking the Guinness World Records for pull-ups.
- He also shared the turning points in his life, as well as the *philosophies and strategies* he used to overcome his challenges and redefine his limits.

The ideas are relevant for anyone who wishes to improve their physical and mental strength, and tap into their hidden potential. In this summary, we'll present the insights in 2 parts:

- Highlights of Goggins' transformative journey; and
- Strategies to explore and unlock your own potential.

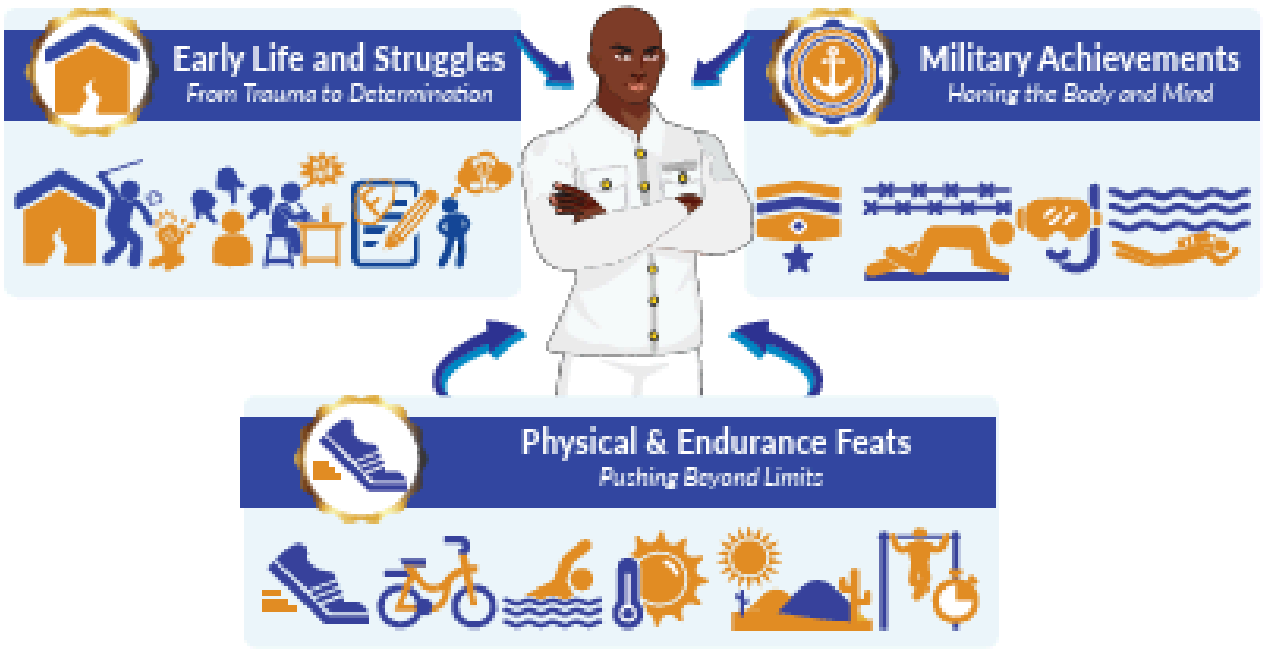
Goggins' Journey: Breaking Barriers & Defying Limits

Goggins' personal transformation can be broadly classified into 3 phases: his early life, military achievements, and endurance feats. In each phase, he endured extreme physical, mental, and emotional pain. Yet, each challenge helped him to transcend his physical, mental, and emotional boundaries.

KEY QUOTES

"The story you are about to read...will illuminate a proven path to self-mastery and empower you to face reality, hold yourself accountable, push past pain, learn to love what you fear, relish failure, live to your fullest potential, and find out who you really are."

"We all make habitual, selflimiting choices. It's as natural as a sunset and as fundamental as gravity."



Early Life: From Trauma to Determination

Born in Buffalo (New York) in 1975, David Goggins' early life was marked by violence, poverty, and prejudice.

- Goggins lived in a *broken home*, and lived in constant fear of his father's uncontrolled anger. From the young age of 6, he had to work at night, and endure frequent and brutal beatings by his father. Although his mother eventually escaped with him, the trauma left deep emotional scars in Goggins' young mind.

- In school, Goggins was the only African-American kid, making him a target for *racial prejudice*. He was called "nigger", received threats, was physically attacked, and had his belongings vandalized. Each day was a battle for survival.

- He also struggled with dyslexia, attention deficit disorder (ADD), and toxic stress from the abuse at home and racism in school. These *learning disabilities* made it hard for him to concentrate, read and write. He even stuttered when he was stressed.

- Goggins felt *angry and helpless* with his lot in life. He started cheating to get by in school, unknowingly choosing the path of least resistance.

Then one day, he learned about Scott Gearen, a pararescueman who miraculously survived a catastrophic fall, and it gave him hope that anything was possible. Spurred by his new dream to

KEY QUOTES

"Prejudice is everywhere...if you are the only in any given situation, it's on you to decide how you're going to handle it because you can't make it go away."

"When you're driven, whatever is in front of you, whether it's racism, sexism, injuries, divorce, depression, obesity, tragedy, or poverty, becomes fuel for your metamorphosis."

join the Air Force as a pararescueman, he took steps to shape up mentally and physically.

- Goggins studied diligently for the *ASVAB entrance exam*, putting in extra effort to overcome his learning disabilities and passing the exam on his 3rd attempted. He also transformed his physique to meet the stringent Air Force standards.

- During pararescue training, Goggins started out strong. However, he *floundered* during Water Confidence Training because of his deep fear of underwater submersion. When he was diagnosed with a medical condition, the sickle cell trait, he took the chance to opt out of pararescue. He shifted to the Air Force Tactical Air Control Party (TACP), where he helped to coordinate precision air strikes and battlefield intelligence. This was a meaningful role, but Goggins had lost his drive and confidence because he knew he had given up on his dream.

- After he left the Air Force, Goggins fell into a dark place mentally and physically. He felt *lost and aimless*, stopped working out, started binge-eating, and gained so much weight that he reached 300 pounds and became pre-diabetic.

One night, Goggins saw a documentary about the Navy SEALs, and it sparked something in him. He badly wanted to have the SEALs' discipline and physical-mental toughness. But, he knew he was unqualified to even get admitted to SEALs training. Standing in his bathroom, he faced his "accountability mirror" for the first time.

- He was brutally honesty with himself, acknowledging his unhealthy lifestyle and lack of direction. He resolved to change and used the mirror to hold himself accountable.

- Goggins wrote down his goals and what he needed to change, and placed the sticky notes on the mirror. Each day, he'd look at himself and the notes to remind himself of what he must do to achieve his goals. This became one of his foundational practices for self-development and success.

KEY QUOTES

"Only when you identify and accept your weaknesses will you finally stop running from your past. Then those incidents can be used more efficiently as fuel to become better and grow stronger."

Military Achievements: Honing the Body and Mind

To become a Navy SEAL, Goggins had to get in shape and complete the notoriously brutal BUD/S (Basic Underwater Demolition SEAL) training.

- To *qualify for training*, he had to lose 106 pounds in 3 months and pass the entrance exam. So, he adopted a rigorous routine: he woke up daily at 5am, spent 2 hours on the stationary bike ride, followed by a 2-hour swim, a gym session, and another 2 hours on the bike. If he missed just 1 pull-up, he'd force himself to redo an entire set of 250 pull-ups. To overcome his aquaphobia, he trained underwater, swam for miles, took a dip in freezing ponds, then ran in wet clothes—all during winter. Every spare moment was spent studying for his exam.

- BUD/S training culminates in *Hell Week*, where trainees must go through 5.5 days of continuous training (e.g. run 200 miles, do >1,000 push-ups daily, and conquer freezing waters) with only 4 hours' sleep. The average dropout rate is above 80% and Goggins had to endure Hell Week not just once but 3 times.

  (i) The first time, he contracted double pneumonia and was vomiting blood during training. The second time, he fractured his kneecap but kept going regardless. Both times, he was forced to stop, recover, and start the ordeal all over again. Along the way, he confronted his inner demons, and developed various strategies to build his mental toughness. He learned to stop blaming others, and finally came to terms with his past trauma. He also started to see his pains and struggles as tools to make himself stronger and harder.

  (ii) On his 3rd attempt, he successfully completed the BUD/S training to become the 36th African American in the history of the U.S. Navy SEAL.

Goggins didn't stop at becoming a SEAL; he sought to keep learning from other elite military units.

KEY QUOTES

"Everything in life is a mind game!"

"Know why you're in the fight to stay in the fight!"

"To develop an armored mind—a mindset so calloused and hard that it becomes bulletproof— you need to go to the source of all your fears and insecurities."

- For example, he earned the prestigious Ranger Tab from the *Army Ranger School*. This further stretched his physical and mental limits, and honed his ability to lead under extreme conditions.

- However, Goggins' single-minded pursuit of excellence started to isolate him from his peers, and he *became overly arrogant and confrontational* at one point. He only realized this after he was rejected by both the Navy's elite DEVGRU and the Army's Delta Force. After some self-reflection, he returned to the SEALs with a renewed commitment to become the best-possible instructor to nurture the next generation of SEALs.

- Goggins simultaneously started to participate in ultra-marathons (more details below). He also became a *recruiter for the Navy*, traveling around the country to share his story, and to inspire people to challenge themselves and explore new possibilities. He developed his own unique style as a speaker, e.g. running 50 miles to an event, doing pull-ups on stage while speaking, or inviting students to train with him.

KEY QUOTES

"When it comes to mindset, it doesn't matter where other people's attention lies. I had my own uncommon standards to live up to."

"A true leader stays exhausted, abhors arrogance, and never looks down on the weakest link."

Endurance Feats: Pushing Beyond Limits

Goggins' entered the world of extreme endurance sports to further push his boundaries and explore the potential of the human spirit. He saw every challenge as a chance to conquer his inner demons and transcend his personal limits.

He decided to run the world's toughest ultramarathon, Badwater 135, to raise money for the Special Operations Warrior Foundation (which supports the families of fallen special ops personnel). Although he had no prior experience, he went into a series of 100-mile races, including the San Diego One Day, The Las Vegas Marathon and The Hurt 100.

- Initially, he was severely under-prepared and finished the *100- mile runs* through sheer perseverance. With each race, he learned something new, and progressively developed new strategies such as the "Cookie Jar" and splitting big goals into smaller parts.

(i) His first ultramarathon was the San Diego One Day, where he had to finish 100 miles in 24 hours. He was so dehydrated and depleted that his blood thickened to sludge and he urinated blood. Upon completing the race, he collapsed on the brink of rhabdomyolysis—a life-threatening condition associated with kidney failure. He trained harder for the Hurt 100, but still struggled with nutrition and hydration issues.

(ii) Then came Badwater 135—a 135-mile race through the blazing heat of the Death Valley with a total elevation gain of >14,600 feet. This time, he researched extensively for the race, visiting Death Valley to assess the terrain, and trained in layers of clothing to simulate the Valley's heat. Despite this, he was severely dehydrated during the race, and had to push himself onward despite blistered feet, hallucinations, and the agonizing pain of muscle breakdown. He finished the race in 5th place.

- He also participated in Ironman *triathlons* to challenge himself with back-to-back segments of swimming, biking, and running.

Goggins' intense participation in endurance sports created extreme strains on his body, and he suffered from problems with his feet, knees, and back. He was also diagnosed with a hole in his heart and develop lumps in his neck and other parts of the body. He decided to shift from running to a new challenge—to break the Guinness World Record for pull-ups in 24 hours.

- Despite a less-than-ideal physique and being surrounded by naysayers, he persevered and *succeeded on his third attempt*.

(i) During his first try, he lacked a proper venue and nutrition plan, and stopped just halfway to his goal. He was more prepared for the second attempt, but still failed to meet his target after his palms started to blister, crack, and tear all the way to the nerve-endings.

(ii) To prepare for his third try, he examined his past failures, worked on all possible areas of improvements, surrounded himself with positive people, managed his inner dialogue, and focused on what he had to do to achieve his goals. He successfully completed 4030 pull-ups in just over 17 hours to break the record in 2013.

KEY QUOTES

"It's possible to transcend anything that doesn't kill you."

"The ticket to victory often comes down to bringing your very best when you feel your worst."

"Most wars are won or lost in our own heads, and when we're in a foxhole we usually aren't alone, and we need to be confident in the quality of the heart, mind, and dialogue of the person hunkered down with us."

Conquering health challenges. Goggins' physical feats are especially remarkable given various health challenges.

- He had suffered from *asthma* since childhood. And, after numerous ultramarathons and triathlons, he was diagnosed with *atrial septal defect* (a hole in the heart)—a defect that had been affecting him since birth, without his awareness. Imagine what more he could have achieved without those ailments.

- After 2 heart surgeries to close the atrial septal defect, Goggins found that the *lump in his neck* had doubled in size. This was diagnosed as a benign growth and he later removed it through a surgery. Throughout the process, Goggins didn't stop challenging himself, e.g. switching from running to pull-ups.

- At the age of 38, Goggins faced yet another *health crisis*. This time, his muscles became rigid, his pulse rate escalated rapidly, and his condition deteriorated over several days to the point he thought he was dying. Again, he refused to give up. He recalled the lumps on his neck and hips, and a previous advice from a physical trainer's advice about the importance of stretching. So, he started to do hours of intensive stretching each day and eventually restored his health. This regime not only saved his life but left him in better physical condition in his forties than in his youth.

- After recovering, he *resumed extreme endurance sports* to keep pushing his limits and resilience.

Goggins retired from the Navy as a Chief Petty Officer in 2015, but his journey of self-improvement didn't stop there. He took on a new challenge as a **woodland firefighter** and continued his journey of learning and growth.

Exploring and Unlocking Your Potential

In this section, we'll detail the philosophies, strategies and approaches you can adopt to build mental toughness and explore your personal potential.

KEY QUOTES

"We should never feel that our work is done. There is always more to do."

Philosophies, Strategies, and Action Steps

Journal and confront your challenges. Confront your past traumas, current difficulties, or ingrained insecurities, take control of your narrative, and convert hardships into fuel for transformation.

- *Reflect on the difficulties and challenges* you've encountered. What circumstances, events, or people have hindered your growth and success?

- *Write down all your struggles and limitations* in a journal. Be as specific and thorough as possible. Give shape to your pain so you can overcome it.

Face yourself in the Accountability Mirror daily. Have a brutal conversation with yourself in the mirror.

- What are your *dreams, goals, and insecurities*? What problems or shortcomings are you avoiding? If you're overweight, admit it. If your temper is affecting your relationships, acknowledge it. Don't find excuses or sugarcoat it.

- *Break down your goals* into achievable steps. Write each step on a separate Post-It note.

  (i) Stick the 1st step on the mirror, then hold yourself accountable with the mirror at the end of each day. Once you've completed step 1, replace it with step 2 and repeat the process. For example, if your goal is to run a marathon, start with a smaller target like finishing your first 1km, then upgrade to 3km, 5km, 10km, and so on.

  (ii) Celebrate each small step toward your ultimate goal.

Develop a "calloused mind". Just as our hands become calloused from hard work, our minds can be toughened through adversity. Each time you step outside your comfort zone or overcome a challenge, you're strengthening your mind.

- *Embrace and seek out discomfort proactively.* Write down all the things that are good for you, but make you uncomfortable. Choose one task and do it daily until it no longer seems painful, then move on to the next item.

KEY QUOTES

"In order to change you have to work through shit. Confront it and get real."

"The only way we can change is to be real with ourselves."

"It's okay to be cruel to yourself as long as you realize you're doing it to become better. We all need thicker skin to improve in life."

"Your entitled mind is dead weight. Cut it loose. Don't focus on what you think you deserve. Take aim on what you are willing to earn!"

- *Progressively increase the level of difficulty* of your tasks. Each time you push through your pain, you thicken your mental callouses. Gradually, you'll build a strong, positive, a strong and calloused mind that stays resilient during tough times.

"Taking souls" is an ideal strategy for competitive situations.

- To develop a tactical advantage, you must *know who you're up against*. Is it your boss, your teacher, or a difficult client? Understand your opponent, yourself, and your circumstances. Show your rivals that you're not affected by the things that give them pain or discomfort. For example, if you're playing basketball against a team known for its strong defense, you must study their defensive strategies, understand each player's strengths, weaknesses, and tendencies, then develop counter-strategies for different scenarios. You must also cultivate mental toughness to stay calm and focused when the game gets intense. During the game, you'd have taken your opponents' souls when they realize that their usual strategies don't work and they can't get into your head.

- The best way to take someone's soul is to use their negativity to *drive yourself to excellence*. Get the top score in a test, deliver an outstanding project, or smash your sales goals. Do whatever it takes to exceed all expectations, so they cannot help but notice and respect you.

Visualization and mental preparation help you to take control of the thoughts running through your mind.

- Picture yourself achieving a goal, including all the obstacles you must overcome to get there. You're essentially preparing for and *rehearsing the solutions* in your mind. Remember: visualization is not the same as day-dreaming, and it cannot replace hard work. You must still back it up with real action, consistent effort, and discipline.

- It's equally crucial to *get clear on your purpose and motivation*: Why are you doing this? What motivates you? What drives or sustains you? In moments of doubt and pain, your answers to these questions will decide if you persist or give up.

Fill your "Cookie Jar"—a metaphorical container that holds all your past victories and the obstacles you've overcome. During tough times, these cookies will motivate you and keep you focused on your strengths and abilities, instead of your pain and doubts.

KEY QUOTES

"Know the terrain, know yourself, and you'd better know your adversary in detail."

"Taking Souls is a ticket to finding your own reserve power and riding a second wind."

"We don't rise to the level of our expectations, we fall to the level of our training."

"It's not the external voice that will break you down. It's what you tell yourself that matters. The most important conversations you'll ever have are the ones you'll have with yourself."

- Open your journal and *list down every achievement and obstacle* that you've overcome, no matter how big or small. This could range from quitting a bad habit to achieving a goal. Some of Goggins' cookies include: losing 100 pounds in 3 months, overcoming his fear of water to graduate from SEALs training, and breaking the world pull-up record. What are yours?

- Take a moment to re-live the *mental-emotional state* that got you through each challenge, and the sense of accomplishment from each victory.

- Set ambitious goals for the future. Each time you encounter difficulties and feel like giving up, dip into your Cookie Jar and *let your past successes fuel you*. Remember your strength and resilience, and use that energy to propel yourself forward.

Push beyond the "40% Rule". Most people only reach 40% of their true capacity because they stay within their comfort zone. To access your 60% untapped potential, you must push through your pain threshold and master your mind through consistency and hard work.

- For example, an amateur boxer might be knocked out by a single punch to the face. But after 10 years of experience, he will develop a much higher pain tolerance and can keep fighting even after being hit several times. Likewise, you can *train your mind* to handle a higher load.

  (i) Choose a measurable physical activity (e.g. running or pullups). Push yourself to the point where your mind is begging you to stop, then keep going for another 5-10%.

  (ii) Keep doing this to increase your baseline. Before long, you'll find that what seemed impossible is now within reach.

- Shift your thoughts away from questions like "What am I doing here?" to "*What am I capable of?*" As you expand your physical and mental strength, you'll start performing better in all areas of life.

Compartmentalize your day to improve your focus and productivity. Multi-tasking dilutes your focus and results. To get the most from your day, structure your schedule into time-

KEY QUOTES

"I was the sum total of the obstacles I'd overcome."

"You'll feel pain, but if you accept it, endure it, and callous your mind, you'll reach a point where not even pain can hurt you."

"Self doubt is a natural reaction to any bold attempt to change your life for the better. You can't stop it from blooming in your brain, but you can neutralize it, and all the other external chatter by asking, What if."

blocks, then work on 1 thing at a time. You can set this up progressively over 3 weeks:

- In the first week, *observe and document* everything you do and the time it takes. Include all activities, such as work tasks, meetings, breaks, naps, errands, and even distractions. This is to establish your baseline and identify the time-wasters.

- In the second week, start to *optimize your schedule*. Break down your day into blocks of 15-30 minutes. Then, assign specific tasks or activities to each time-block. Eliminate distractions, do 1 thing at a time, and give each task your full attention. Also set aside time for meals, exercise, and rest.

- In the third week, *evaluate and adjust* your schedule. By now, you should see an increase in productivity. Review how you used your time the previous week, and keep identifying ways to improve time-usage. Progressively cut back on unproductive tasks to free up time for dreams and goals. Create some buffers for unexpected events.

KEY QUOTES

"If you audit your life, skip the bullshit, and use backstops, you'll find time to do everything you need and want to do."

Fortify yourself through failures. Analyze your failures thoroughly to learn from them and prepare yourself for future challenges.

- Use your journal to write about your *recent and most painful failures*. Do this by hand and be honest with yourself. For each setback:

  (i) List down the positives;

  (ii) Reflect on how the event has impacted your life and relationships;

  (iii) List down everything that went wrong and what could have been done differently; and

  (iv) Examine your thought processes during the preparation and execution stages: were there any negative or unhelpful mindsets?

"In life, there is no gift as overlooked or inevitable as failure."

"The point is not to allow a setback to shatter our focus, or our detours to dictate our mindset. Always be ready to adjust, recalibrate, and stay after it to become better, somehow."

- *Schedule another attempt* in your calendar. During your preparation and execution, use all the principles and tools above, e.g. the Accountability Mirror, the Cookie Jar, the 40% Rule, and the calloused mind. If you fail again, just repeat the steps above.

Surpass the elites. This philosophy is not for everyone. It's about pushing yourself to become the best of the best, to sustain growth even if you've reached the top, and never get complacent.

- Acknowledge your past achievements, then set them aside and *start again from zero*.
- Keep set *newer and harder goals* for yourself. If you're a marathon runner, try ultramarathons. If you're a software developer, explore artificial intelligence or quantum computing. If you break a hand and cannot play the guitar, try playing the piano with your other hand as you recover.
- Intentionally put *obstacles in your path* to push yourself. Join elite groups and aim to become the best in every group.
- Such a singular focus on growth will mean disrupting other areas of your life, and you'll often stand alone as an over-achiever. Accept this as *the price of true greatness*.

KEY QUOTES

"There's power in victory... but after our celebration we should dial it down, dream up new training regimens, new goals, and start at zero the very next day."

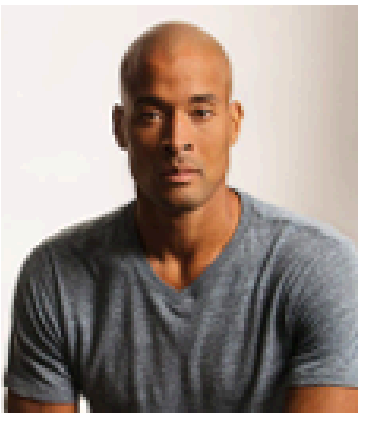
"I refused to compromise who I was to conform to their unwritten rules."

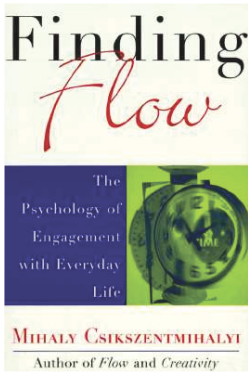
Other Details in the Book to Look out For

In the book, Goggins details his journey, insights, and transformation in vivid detail, helping the reader to understand his failures, triumphs, perspectives, and breakthroughs. He demonstrates that anyone—no matter your starting point—can change your life's trajectory through sheer will, determination, and an unwavering belief in yourself. For more information, please visit https://david goggins.com/.

About the Author

David Goggins (born 1975) is a renowned American ultramarathon runner, retired Navy SEAL, and former United States Air Force TACP member. He's also a public speaker and author. He has completed over 60 ultramarathons, triathlons, and ultratriathlons, setting new course records and regularly placing in the top five.





FINDING FLOW

The Psychology of Engagement with Everyday Life

By Mihaly Csikszentmihalyi

The Big "So What"

The book answers the questions: "what is a good life", "how anyone can create an excellent life" and "how to transform every day activities into an opportunity for engagement, enjoyment and growth." It explains why happiness alone isn't enough, and how "flow" can create true excellence and quality of life.

Introduction

The insights from the book are built on ***3 key assumptions or foundations***:

- Important truths about life have already been captured over the years by philosophers, prophets and sacred books. This book seeks to express and re-interprete them in the modern context.
- Current science provides useful information about mankind. However, our knowledge is still far from complete, and many of the "scientific truths" is by no means proven fact.
- To understand life in the present, we must integrate the realities of the past with the possibilities of the future.

The Content of Experience: What Affects Quality of Life?

To improve our quality of life, we need to first understand how we experience life.

Time is the essence

Our quality of life is essentially the accumulation of

KEY QUOTES

" 'To live'...must mean to live in fullness, without waste of time and potential, expressing one's uniqueness, yet participating intimately in the complexity of the cosmos."

"There is probably as much superstition and misunderstanding embedded in modern science as there was in the old myths, but we are too close in time to tell the difference."

"One of the most essential decisions any of us can make is about how one's time is allocated or invested."

experiences (what we do, feel, think) over time. Since experiences take place at a point in time, time is the scarcest resource that we have. How we choose to allocate or invest time will determine what we experience, which add up to determine our quality of life.

What we do

Whenever we think about or do something, it consumes psychic energy. Most of us spend our time and psychic energy in these proportions:

- 24-60% on **productive activities** to generate energy for survival (e.g. working, studying, eating)
- 20-42% on **maintenance activities** (e.g. commuting, grooming, housework)
- 20-43% on **leisure activities**

Thought leaders and philosophers have long suggested that people start to develop their true potential during their "leisure time", when they can devote their time and energy to self-development.

Who we are with

Our experiences (and hence quality of life) are largely affected by the people we are with. Most people spend their time evenly in 3 social contexts:

- **"Public" space,** where we are evaluated by others, compete for resources & may establish collaborative relationships. This is the domain that presents the highest risks and also the highest rewards.
- **Family**, including time with parents, siblings, children and close relatives.
- **Solitude**, i.e. time on our own, which may be enjoyable to some but not to others.

Our intentions and goals

Our intentions focus our psychic energy in the short run, while our goals focus our energy in the long run, and this in turn shapes who we become.

KEY QUOTES

"Without a consistent set of goals, it is difficult to develop a coherent self."

Immersing/focusing on our goals typically takes a lot of psychic energy:

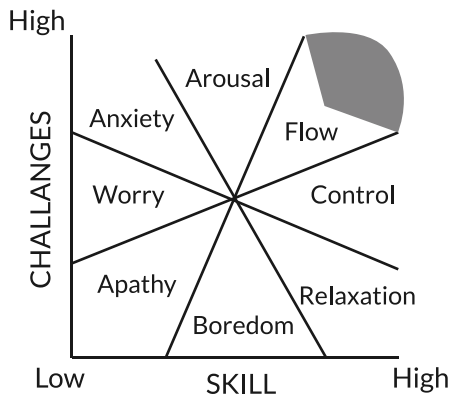
- **Managing our goals** can take up a lot of energy, especially those that go against our pre-programmed beliefs and behaviours.
- **Concentration** takes energy and effort, especially when it goes against our inner feelings and motivations.
- We also **struggle with conflicting desires & thoughts** in a typical day. For example, we may enjoy an expensive dinner and drinks with friends after work, but feel guilty about spending money and not being at home with the kids.

However, "flow experiences" occur when the act of focusing and immersing in our experiences seem effortless.

"A person in flow is completed focused. There is no space in consciousness for distracting thoughts, irrelevant feelings. Selfconsciousness disappears, yet one feels stronger than usual. The sense of time is distorted: hours seem to pass by in minutes. When a person's entire being is stretched in the full functioning of body and mind, whatever one does becomes worth doing for its own sake…In the harmonious focusing of physical and psychic energy, life finally comes into its own."

Being in flow typically comes with :

- **Clarity** of goals and required activities, i.e. knowing what to do .
- **Immediate feedback**, i.e. knowing how well you are doing.
- **High level of "skills" and "challenges",** i.e. the challenges are big enough to be motivating but not insurmountable to cause anxiety, and you can use your skills to the fullest.



KEY QUOTES

"The only way to take over the ownership of life is by learning to direct psychic energy in line with our own intentions."

"Given that attention is a limited resource, when one goal takes up all our psychic energy, there is none left over."

"A typical day is full of anxiety and boredom. Flow experiences provide the flashes of intense living against this dull background."

"The flow experience acts as a magnet for learning – that is, for developing new levels of challenges and skills."

"It is the full involvement of flow, rather than happiness, that makes for excellence in life."

"Flow is a source of psychic energy in that it focuses attention and motivates action."

Excellence in life comes from being engaged in flow, not from pursuing happiness. When we are in flow, we direct our energy fully towards complex tasks, learning, and growing our consciousness. Flow is in fact a source of psychic energy, because it helps to focus our attention and motivates us to take action.

Finding Flow in Work & Leisure

Work is often seen as a necessary evil, while having free time to relax and do nothing seems desirable. However, evidence suggests the opposite – work isn't necessarily bad, and leisure time doesn't necessarily improve quality of life.

The Paradox of Work

Work is a central part of most of our lives, and typically takes up a third of our available time. Work can provide meaning, focus, and challenge to our lives, yet most of us are glad to avoid work if possible.

Many people resent their jobs for 3 key reasons:

- The jobs are meaningless or even cause harm
- The jobs are boring and routine (with no variety or challenge)
- The jobs are too stressful (due to relationships with colleagues or superiors, lack of recognition etc.)

On the other hand, work can be a positive experience when it is perceived to be voluntary and we are satisfied with our results. This is especially so given how the concept of "work" has evolved over the centuries - from hunting for food, to manual labour, to an expression of skills and creativity today. Many modern professionals (e.g. artists, entrepreneurs) are enjoying much more intrinsic rewards from work that were not readily available in the past.

In short, we cannot blame our jobs for the lack of inspiration in our lives. Rather, when we find flow at work, it helps us to develop new skills and opportunities for growth and fulfilment.

KEY QUOTES

"Work is a strange experience: it provides some of the most intense and satisfying moments, it gives a sense of pride and identity, yet it is something most of us are glad to avoid."

"It is always a better deal to do something one feels good about than something that may make us materially comfortable but emotionally miserable."

"Without the goal and the challenges usually provided by a job, only a rare self-discipline can keep the mind focused intensely enough to insure a meaningful life."

Csikszentmihalyi gave several examples of how people in seemingly poor or unenviable conditions found inspiration and fulfilment in life by focusing their energy on creating value for others, e.g. a lady who dedicated her life to helping homeless urchins who were in even more desperate conditions than her.

The risks and opportunities of leisure

Contrary to common perception, free time doesn't improve the quality of life, unless it is used effectively. In fact, people without goals and meaningful interactions tend to lose motivation, focus, and experience greater anxiety as their minds wander to unresolvable problems.

There's a distinct difference between active and passive leisure. Sports and active games are 3 times more likely to generate a state of heightened enjoyment than watching TV (while hobbies are 2.5 times more likely to do so).

To improve the quality of life, it is important to give our free time the same focus and attention as our work. Ensure that your free time is used to explore the potential of the self and the environment, hence creating opportunity for flow, which brings growth, fulfilment and better quality of life.

Finding Flow in Work & Leisure

To create flow and inspiration in what we do (be it work or leisure):

- **Pay attention**, so you understand thoroughly what is happening and why. This helps us to understand the full impact of our actions (however trivial) on the whole, to give meaning, clarity and awareness over time.
- Don't accept that the current way of doing the job is the only way – **explore and experiment** with new and better ways of doing things. No matter now routine a job or task, there are always small adjustments and improvements that you can focus on (and enjoy fulfilment from) if you treat it as a professional challenge.
- **Exercise personal control** to prevent stress (which hinders flow):

KEY QUOTES

"Just as the excellence of an individual life depends to a large extent on how free time is used, so the quality of a society hinges on what its members do in their leisure time."

"To make the best use of free time, one needs to devote as much ingenuity and attention to it as one would to one's job."

"By taking the whole context of the activity into account, and understanding the impact of one's actions on the whole, a trivial job can turn into a memorable performance that leaves the world in a better shape than it was before."

"As minute changes can results in great discoveries, so small adjustments can turn a routine job one dreads into a professional performance one can look forward to with anticipation each morning."

"While everyone has the psychic energy needed to cope with strain, few learn to use it effectively."

- Develop a personal strategy that provides order & priority.
- Match your skill with the identified challenges. For example, learn a new skill, delegate a task, break up the task or transform it such that you can manage it.

Finding Flow in Relationships

Relationship with Others

Our relationships have a significant impact on how we feel and on our quality of life. To develop relationships, we need to invest energy in them. A relationship that brings consciousness meets 2 conditions:

- Compatibility between goals, i.e. **shared goals**
- A willingness to **invest attention** in the other person's goals.

How rewarding our relationships are depend on a several factors, including:

- **Socialization.** Socialization shapes our behavious, cultural expectations and aspirations, and hence affects how we experience life. We feel shame and guilt (as opposed to pride and accomplishments) when we feel we have let others down (based on social norms and standards).
- **Our friendships.** The lack of friendship is a common personal complaint. In an ideal world, friends provide mutual benefits and stimulation to hone our skills and support our growth. However, in reality, it is common for friendships to provide a safe haven for us to preserve our self-image, without contributing to our growth.
- **Our sexual relationships.** Fulfilling sexual relationships are another important aspect of a quality life. This come from neither celibacy nor promiscuity, but being conscious of the role of sexuality in our lives.

Relationship with Self

Being alone. Most people experience lower moods when they are alone than when they are with others. The only

KEY QUOTES

"Instead of promoting growth, friendships often provide a safe cocoon where our self-image can preserved without ever having to change."

"If one has a hobby, or a rich inner life, then being alone is not only enjoyable but necessary."

time people feel better when they are alone is when they are in full concentration on a goal/ hobby or have a rich inner life.

Attitude towards "others". People generally assume that people who are different from us – be it in race, language, religion, social class etc. – have different goals and cannot be trusted. Yet, we are fascinated by their differences. Being around strangers and different cultures bring excitement and creativity that improve the quality of life, so long as we believe that the "others" will share our basic goals and behave predictably within certain parameters.

Extroversion (expression through "public" action) versus introversion (ascension by looking inward). Extroversion and introversion need not be mutually exclusive. In fact, the most creative and successful individuals tend to embrace both ends of the spectrum – they set aside time for themselves (e.g. working alone from home, meditating) and create opportunities to meet others (to expose themselves to new possibilities, ideas etc.). By doing so, they have access to the full range of human experiences rather than box themselves into a corner and limit the possibilities of enjoyment.

Balancing Work and Relationships

The "balance" between work and relationships (family and friends) has been an ongoing challenge. People who love their work tend to direct so much psychic energy into work that their relationships suffer.

The solution to balancing work and relationships is to balance the meaningfulness of the rewards we get from work and from relationships. People are held together by 2 types of energy:

- **Material energy** (from food, warmth, physical care, money)
- **Psychic energy** (from investing attention in each other's goals)

Successful relationships are like successful careers – they require an ongoing investment of thought and energy. In modern society, contracts and social control can no longer hold marriages together – only intrinsic rewards (i.e. mutual enjoyment) will motivate people to continue the relationships.

KEY QUOTES

"Instead of looking for models in the past, we should figure out what a safe yet stimulating social environment could be like in the future."

"It is possible to be both extroverted and introverted at the same time. In fact, expressing the full range from inner to outer-directedness might be the normal way of being human."

"Now that the integrity of the family has become a matter of personal choice, it cannot survive except through the regular infusion of psychic energy."

Finding Flow in relationships

Creating flow in relationships involve joint activities that help people to pay attention to each other. For example, to make parenting a more rewarding experience, parents can:

- Pay attention to learn what the child is "into" or is "proud of".
- Devote more attention to share such activities with the child, hence creating joint goals that everyone is investing psychic energy into.

Likewise, when we are appreciated at work, we feel more satisfied, because we feel that our goals are being supported.

Finding Flow through Awareness & Self-Development

To achieve excellence in life, we need to commit ourselves fully to experience all aspects of life & develop all of our potentials.

Awareness and Quality of Life

To improve the quality of life, the first step is to start engineering our daily activities to get the most rewarding experiences. There's no fixed formula, so it's important for you to find what works best for you. Start by keeping a diary or reflecting on your day, so you can become conscious of how you spend your time. Take stock of the activities and people that generate positive versus negative moods:

What you do: With awareness, you can increase the frequency of positive activities and decrease the negative ones. People in flow also tend to be so focused on the task at hand that they "forget" about their physical pains, fatigue and ailments. Csikszentmihalyi gave an example of how a mental health patient was able to rejoin the community and become financially self-sufficient simply by paring nails for others (an activity that brings her flow).

Who you spend time with. While companionship can improve the quality of experience, real growth comes when we are with people who stimulate our learning. Invest psychic energy in the right relationships.

KEY QUOTES

"When people pay attention to each other, or to the same activity together, the chances of flow binding the family increases."

"The first step in improving the quality of life consists in engineering daily activities so that one gets the most rewarding experiences from them."

"When attention is focused, minor aches and pains have no chance to register in consciousness."

"It takes a total commitment to a fully experienced life, one in which no opportunities are left unexplored and no potential undeveloped, to achieve excellence."

The Autotelic Personality

An autotelic activity is one that we do for its own sake, because experiencing the activity itself is the goal. For example, if you are playing a game because you enjoy it, that's an autotelic activity; if you are playing it to win a prize, that's an exotelic activity. To have ownership of our lives, it is important to enjoy an activity for its own sake and in the process, learn to control our attention and direct our psychic energy in line with our intentions.

People fall into a spectrum - some almost never feel that what they do is worth doing, while others (autotelic people) feel that almost everything they do is important and valuable in its own right. Those who are autotelic tend to:

- Already feel so rewarded that they need very little material possessions or titles/power.
- Be typically more autonomous and independent, yet are more involved or immersed in what's happening around them.
- Have a seemingly inexhaustible supply of psychic energy: they pay attention more, notice more, and are willing to invest more attention in things for their own sake (rather than external rewards).
- Be able to direct their psychic energy to experience life, because they are less concerned with themselves.

The Love of Fate

Leading a truly excellent life requires us to feel that we are part of something greater and more permanent than ourselves. The challenge is to be engaged and carefree at the same time – to be serious in our concern for the world at large, yet humble about the impact that we can make individually.

The starting point is to get a clearer understanding of our self-image – this imaginary entity tends to shape how we direct our psychic energy:

- Without a sense of self, humans will be like animals, exerting ourselves only to fulfil our biological needs.
- On the other hand, a sense of self based on wealth and

KEY QUOTES

"The point is to be happy while doing things that stretch our skills, that help us grow and fulfill our potential."

"Even the most routine tasks, like washing dishes, dressing, or mowing the lawn become more rewarding if we approach them with the care it would take to make a work of art."

"The important thing is to enjoy the activity for its own sake, and to know that what matters is not the results, but the control one is acquiring over one's attention."

"An active responsibility for the rest of humankind, and for the world of which we are a part of, is a necessary ingredient of a good life."

"Act always as if the future of the Universe depended on what you did, while laughing at yourself for thinking that whatever you do makes any difference."
- Buddhist advice -

power can lead someone to exert himself relentlessly at the expense of health and relationships.

- We cannot totally remove our ego. However, by developing a deeper understanding of ourselves, we can learn to separate the needs that support us in life from those that make our lives miserable.

It takes skill to reflect. When we have not mastered the skills of reflection, thinking about our problems tend to aggravate them instead of alleviating them.

- Hence, it is better to reflect on our life when we have reason to feel good about it – experiencing flow automatically helps us to feel better without even trying.
- To experience flow, it helps if we have clear goals to focus our attention on. Even if we are faced with a task that we hate or dread, setting a goal (e.g. to finish the task as quickly as possible) can transform how we experience it.

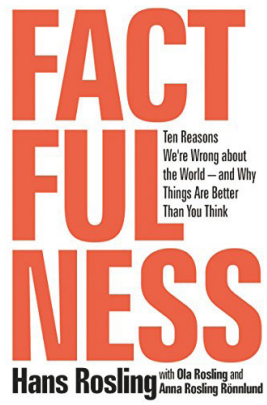
The love of fate, or *amor fati*, refers to our attitude towards our choices. If we learn to take ownership of our actions and love what we have to do, our quality of life will be improved.

KEY QUOTES

"The question is, why don't we want to do more things? The sheer act of wanting focuses attention, establishes priority in consciousness, and thus creates a sense of inner harmony."

"I want to learn more and more to see as beautiful what is necessary in things; then I shall be one of those who make things beautiful."

- Friedrich Nietzsche -



FACTFULNESS

Ten Reasons We're Wrong About the World —and Why Things are Better Than You Think

HANS ROSLING

The Big "So What"

Most people—including business/political leaders and professionals—have grossly inaccurate views of the world we live in, and see the world to be much worse than it really is. This book helps us to recognize and manage 10 mental filters that distort our perceptions, and to develop a fact-based worldview so we can avoid unnecessary stress and improve our ability to make sound decisions.

Introduction

Over the years, Rosling presented various multiple-choice questions about global trends (e.g. poverty, health, environment) to thousands of people worldwide. Even if people randomly chose 1 of the 3 answers provided, they should've gotten 33% of the questions right. Yet, consistently less than 33% of the questions were answered correctly, i.e. **we are systematically wrong in our worldview**.

- For example, in the last 20 years, the proportion of the world population living in extreme poverty has almost halved. Yet, only 7% of the people surveyed got that right; the majority believed that the proportion of people living in extreme poverty has remained the same, or has almost doubled.

- Generally, people believe the world is getting worse, when facts and data show that the world is getting better. More girls in low income countries are going to school, children are getting vaccinated, most people have moved out of extreme poverty, and child mortality rates have decreased in every country worldwide.

In reality, most of us don't see the world as it is, because we sift the inputs through a **mental filter** that favors dramatic information.

KEY QUOTES

"Every group of people I ask thinks the world is more frightening, more violent, and more hopeless—in short, more dramatic—than it really is."

"Step-by-step, year-by-year, the world is improving…. Though the world faces huge challenges, we have made tremendous progress. This is the fact-based worldview."

- Thus, we tend to have an *exaggerated and overly-negative view* of the world, which creates unnecessary fear and stress. We also can't make sound decisions if we're operating on wrong facts.

- In this summary, we'll explain the 10 "dramatic instincts" that all humans have, how to control these instincts and apply factfulness to see the world more accurately.

The 10 Dramatic Instincts

1. The Gap Instinct

We tend to divide things into 2 distinct groups and imagine a gap between them, e.g. good vs bad, rich vs poor. This is one of most damaging instincts as it creates an imagined chasm that leads to all sorts of misperceptions.

Most of us still mentally divide the world into 2 parts: **developing non-Western countries** vs developed Western countries. This notion is at least 20-30 years outdated.

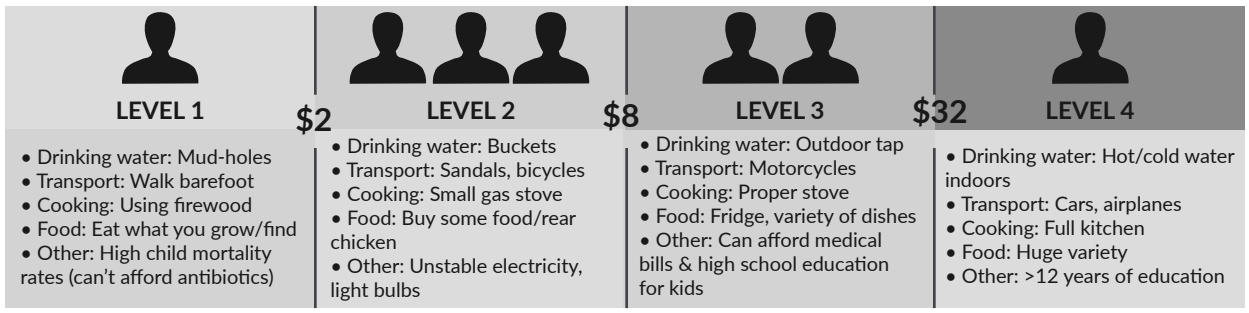
- We have a *wrong mental picture* of how people in poor non-Western countries live (e.g. life expectancy, water quality, vaccination rates, under-nourishment); and

- We over-estimate h*ow much of the world population* live in these low-income countries.

In short, we imagine a big gap between the developed and developing countries, with most people living in dire conditions. In reality, most people are living **in the middle** where we *think* the gap is.

It's more meaningful to look at the world with 4 levels of income:

World Population & Income levels as of 2017



= 1 bil people Income: per person per day, adjusted for price differences Source: Gapminder

KEY QUOTES

"The idea of a divided world with a majority stuck in misery and deprivation is an illusion. A complete misconception. Simply wrong."

- People living in extreme poverty (*Level 1*) suffer from high child mortality rates, malnutrition and terrible living conditions.

- However, once they can earn $2 a day, they'll cross over to the next level and can afford some basic essentials. By the time they get to Level 3, they're usually working multiple jobs and have decent savings to enjoy choices in life and send their kids to high school. The majority (5 out of 7 people) today are living on *Levels 2 and 3*.

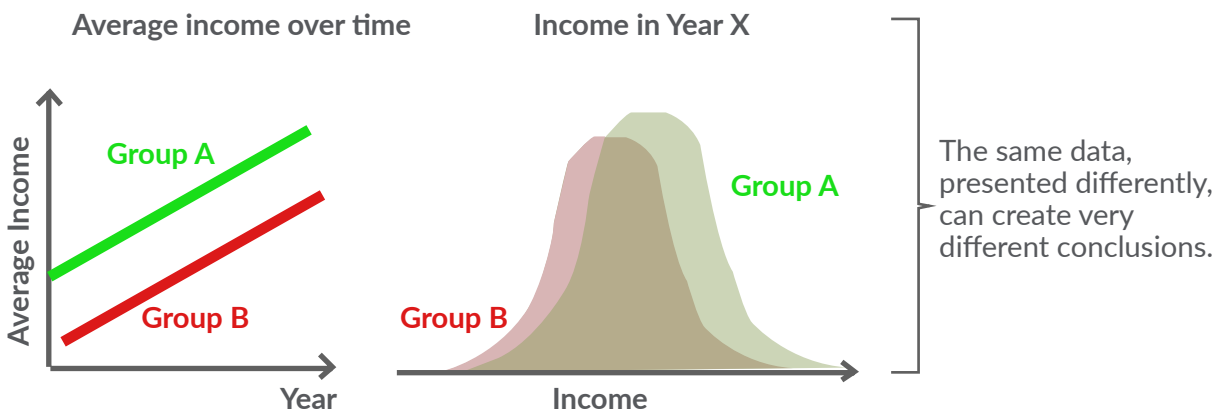
- If you're reading this summary, you're probably living on *Level 4*, with at least 12 years of education, an income of at least $32 a day and access to a range of modern amenities.

- Everyone in human history started at Level 1 and it usually takes generations for a family to move from Level 1 to Level 4. About 200 years ago, 85% of the population was living on Level 1. While it's bad that some people are still living in extreme poverty today, the overall situation is certainly *getting better*, not worse.

When we split the world into 2 distinct groups with a big gap in between, it suggests **conflict**. In reality, things usually fall on a spectrum—there're commonalities between groups with no clear lines in between.

There are **3 types of "gap stories"** that trigger our gap instinct:

- *Comparing averages*. Averages help to simplify information, but draw our attention to the *gap* between 2 sets of numbers. For example, when you compare the average incomes between 2 groups (see the left diagram below), it creates the perception that there's a clear separation between the groups, when in reality the areas of overlap may be greater than the differences (see the right diagram below).



KEY QUOTES

"Dividing the world into two distinct sides is simple and intuitive, and also dramatic because it implies conflict, and we do it without thinking, all the time."

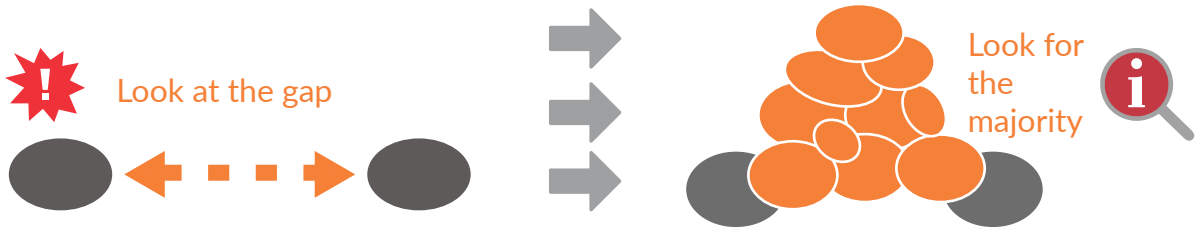
"The gap instinct makes us imagine division where there is just a smooth range, difference where there is convergence, and conflict where there is agreement."

- *Comparing extremes*. We tend to remember extreme examples (e.g. the richest vs poorest people) as these are more dramatic. However, such extremes are usually the minority and do not reflect the majority which are in the middle.

- *View from above*. From the top of a tall building, the objects on the ground level look deceptively small. Likewise, when you're living on Level 4, your perception of lives on Levels 1-3 is distorted. Your information on other levels are filtered through the mass media which tends to focus on the extreme and the dramatic.

To control this instinct, realize that in reality, there's usually no gap, extremes are the minority, and the majority are in the middle were the gap is supposed to be. When you hear a story of 2 distinct groups with a gap between then, examine the spread of data and you're likely to find 2 overlapping groups with no real gap.

CONTROLLING THE GAP INSTINCT



2. The Negativity Instinct

We tend to instinctively notice the bad more than the good.

Global trends. Most people believe that the world is becoming worse, when in reality it's becoming better.

- In the last 20 years, the proportion of people living in extreme poverty has fallen from 29% to 9%, while average life expectancy has increased from 30 to 70 years old. Rosling also presented charts of 16 bad things decreasing globally (e.g. legal slavery, oil spills, HIV infections, ozone depletion) and 16 good things increasing globally (e.g. new movies per year, women's right, electricity coverage, child cancer survival).

KEY QUOTES

"The fact that extremes exist doesn't tell us much. The majority is usually to be found in the middle, and it tells a very different story."

"The reality is often not polarized at all. Usually the majority is right there in the middle, where the gap is supposed to be."

- He showed Sweden's health and wealth statistics from 1800 to 2017, and how they corresponded with other countries' statistics in 2017. In a nutshell, Sweden as a country had moved from Level 1 to Level 4 progressively over the generations, just like other countries. Specifically, 1921 Sweden was comparable to 2017 Zambia, 1947 Sweden was comparable to 2017 Egypt, while 1975 Sweden was comparable to 2017 Malaysia.

Our overly-negative worldview comes from **3 key factors**:

- *Selective news & reporting*. The mass media tends to cover dramatic stories about wars, disasters, scandals or accidents—rather than gradual improvements—as those stories are more attention-grabbing. Activists and lobbyists also play up short-term dips and play down long-term growth. Thus, we get the impression that things are deteriorating when they're actually improving.

- *Poor recall of the past*. We avoid reminding ourselves and our children of past miseries and thus remember the past to be better than it really was.

- We *feel bad* about celebrating improvements when things still seem so bad.

To **control this instinct**, remember that you're more likely to receive negative than positive news.

- Expect bad news, but ask yourself if there could be good news of equal or greater scale that haven't reached you. You can also *validate the real picture* using statistics.

- Realize that things can be *both "bad" and "better"* at the same time, i.e. the situation has improved from the past, but still needs improvement. With an objective viewpoint, you can take constructive actions rather than lose hope for the future.

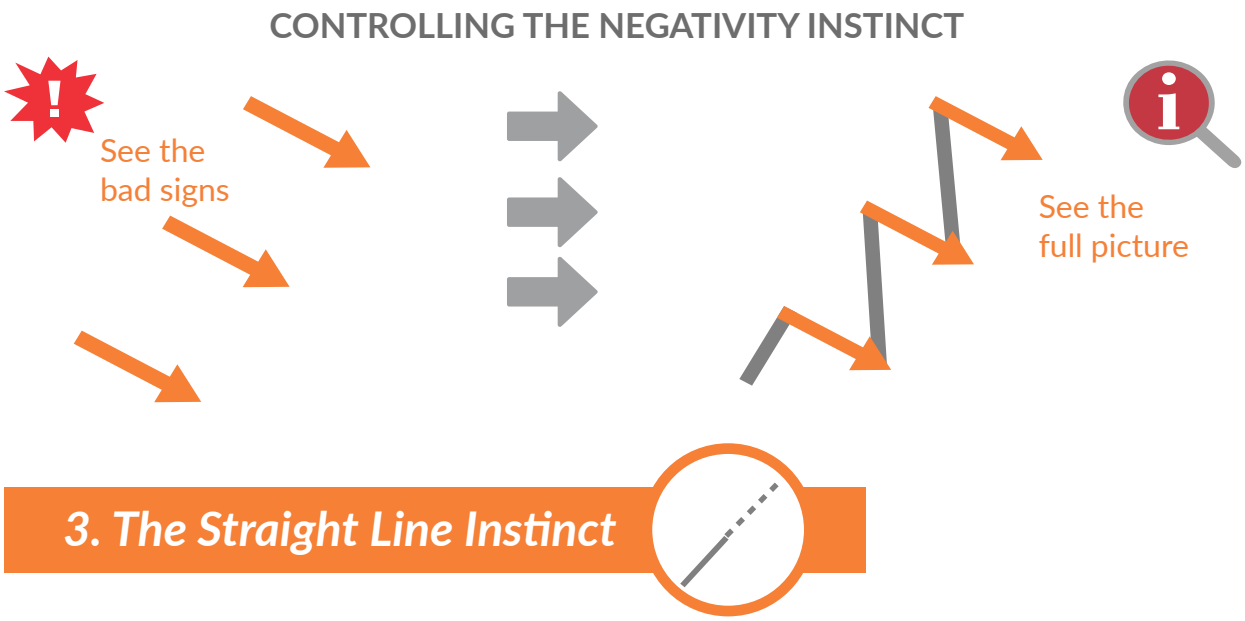
- Beware of *over-glorified histories* and don't hide the past to protect your children.

KEY QUOTES

"The positive changes may be more common, but they don't find you. You need to find them."

"Remember: things can be bad, and getting better. Getting better, but still bad."

"The loss of hope is probably the most devastating consequence of the negativity instinct and the ignorance it causes."



3. The Straight Line Instinct

When we see a line going up steadily, we tend to assume the line will continue to go up in the foreseeable future.

Most people think the **world population** will continue to grow rapidly, with the bulk of the growth coming from babies born in poor, developing countries. In reality, the population will grow because people are now living longer, not because more babies are born. As families move out of extreme poverty, they tend to have fewer babies, since women are educated about contraceptives and no longer need so many kids for manual labor or to replace children who die from diseases or malnutrition. As of 2017, most families have an average of only 2 children.

In reality, **most lines will bend at some point**.

- Certain trends or relationships may follow a *straight line*, such as the relationship between wealth and health, and the relationship between income and education or recreation spending.

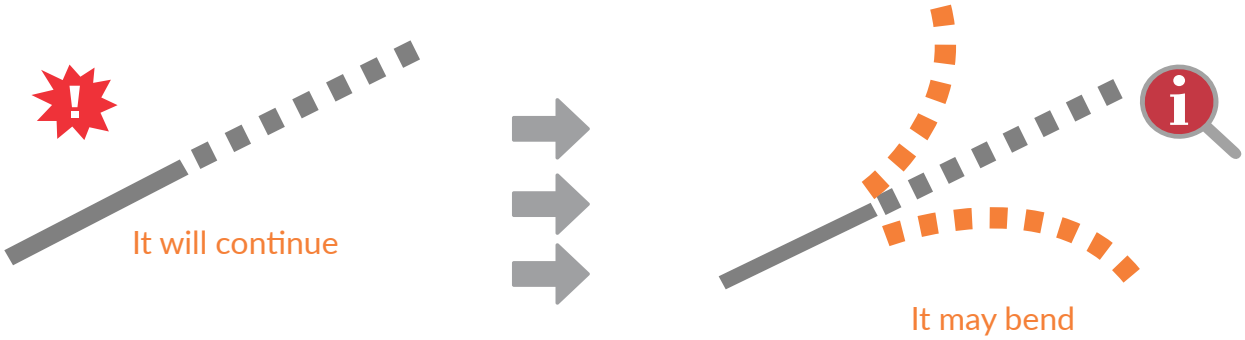
- However, most charts follow *other shapes*. *S-shaped curves* start out relatively flat, then go up steeply before flattening out again (e.g. the relationship between income and vaccination). *Slides* look like reverse S-curves. *Humps* show trends that get worse before they get better (e.g. the relationship between income and dental health). *Doubling lines* show numbers doubling to exponential growth in the long term (e.g. the relationship between income and distances travelled).

KEY QUOTES

"To understand a phenomenon, we need to make sure we understand the shape of its curve. By assuming we know how a curve continues beyond what we see, we will draw the wrong conclusions and come up with the wrong solutions."

To control this instinct, remember that most curves and trends come in different shapes, e.g. S-bends, humps or doubling lines. Know the shape or direction of a trend to find the right solution.

CONTROLLING THE STRAIGHT LINE INSTINCT



4. The Fear Instinct

We tend to perceive the world to be scarier than it really is.

Most of our fears (of violence, contamination, captivity etc.) are **exaggerated** due to mass media influences and our mental filters.

- The media tends to cover topics like natural disasters, terrorist attacks and diseases because these attract our attention and response. Images of dead and injured people trigger feelings of fear and sorrow, creating an *emotional, illogical urge* for us to take action (e.g. share the news or donate money).

- Rosling presented detailed statistics to prove that these events are *much less threatening than we think*. In reality, only 0.1% of all deaths come from natural disasters, 0.001% from plane crashes, 0.7% from murders, 0.05% from terrorism, and 0% from nuclear leaks. Yet, such events get disproportionate coverage on the mass media.

To control this instinct, realize that there's a difference between what's frightening (i.e. poses a *perceived risk*) and what's dangerous (i.e. poses a *real risk*).

- Something is truly risky only if it's dangerous *and* you're exposed to it. *Calculate the actual risk* of an event with this formula:

Risk = danger x exposure.

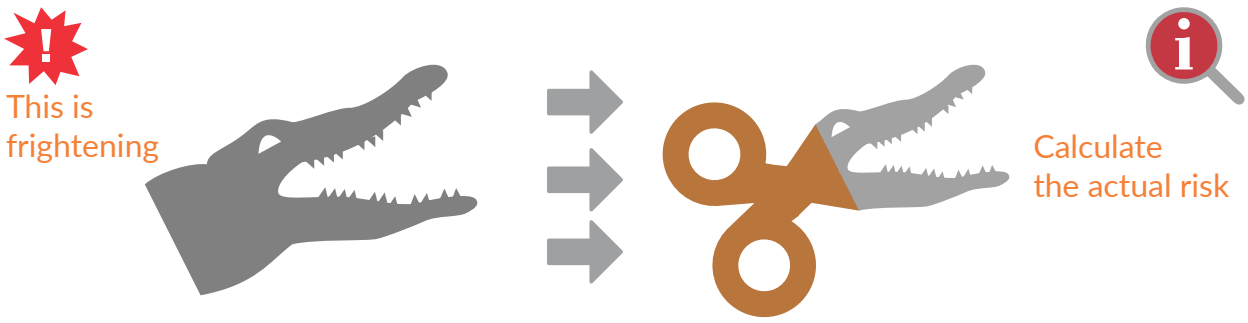
KEY QUOTES

"There's no room for facts when our minds are occupied by fear."

"Here's the paradox: the image of a dangerous world has never been broadcast more effectively than it is now, while the world has never been less violent and more safe."

- Don't let frightening news dictate your actions. Calm yourself down first to resume your analytical abilities, then adopt a *fact-based perspective* to make informed, effective decisions.

CONTROLLING THE FEAR INSTINCT



5. The Size Instinct

We tend to see things out of proportion, over-estimating (a) the importance of a single event or person that's visible to us, and (b) the scale of an issue based on a standalone number.

Our resources are limited and it's sub-optimal to focus them on the **visible problems** in front of you. It's better to step back to see the big picture, then tackle the root of the problem for a bigger impact. For example, a doctor in a Level 2 city can save many more lives if he diverted some of his time and resources to train village health workers and vaccinate children *outside* the hospital, rather than focusing only on the patients *in* the hospital.

To control this instinct, never interpret a number on its own. Instead, compare and divide numbers to see things in proportion:

- *Compare the numbers*. In 2016, 4.2mil babies died from preventable diseases; this sounds massive until you compare it with 14.4mil deaths in 1950. Use the 80/20 rule to identify where 80% of your problem cases are, then focus your resources there.

- *Divide the numbers*. Make a large number more meaningful by dividing it against another number to get a rate. For example the number of babies dying divided by the number of births gives you the child mortality rate. Total carbon

KEY QUOTES

"The fear instinct…makes us give our attention to the unlikely dangers that we are most afraid of, and neglect what is actually most risky."

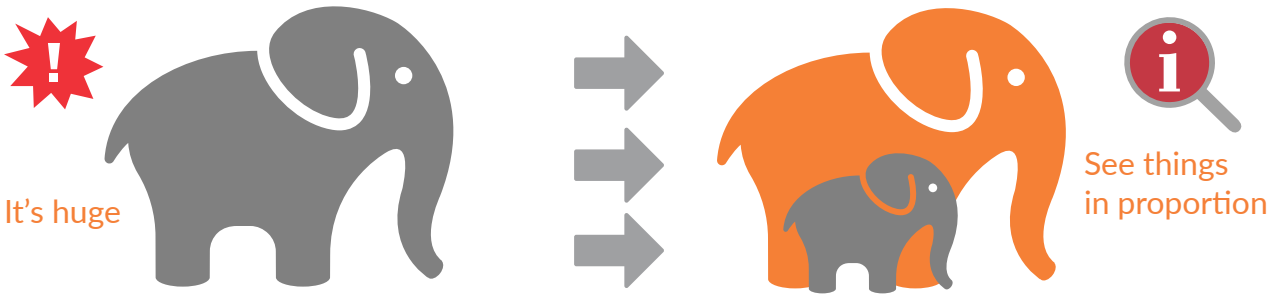
"The size instinct directs our limited attention and resources toward those individual instances or identifiable victims, those concrete things right in front of our eyes."

"To know how to act, and how to prioritize resources, nothing can be more important than doing the cool-headed math and realizing what works and what doesn't."

"So long as resources are not infinite—and they never are infinite—it is the most compassionate thing to do to use your brain and work out how to do the most good with what you have."

emission divided a country's population gives you a per-capita rate, which is more meaningful than a large number without context.

CONTROLLING THE SIZE INSTINCT



6. The Generalization Instinct

Categories are needed for us to handle the overwhelming amount of detail around us. However, we tend to wrongly assume that everything or everyone in a category is similar.

We subconsciously put people into **"us" vs "them" categories** and make all sorts of wrong assumptions about "them".

- For example, *businesses* often dismiss Level 2 and 3 markets as "poor countries", thus missing out on large numbers of consumers with buying power.

- When we make *wrong assumptions* about others based on our own experiences, it's ineffective and even dangerous. During a visit to a Level 2 hospital, one of Rosling's students tried to stop the lift-doors from closing by sticking her leg between the doors—she almost lost her leg on the assumption that all lift-doors had closing-sensors.

To control this instinct, be mindful of how you're using categories to explain or predict something.

- *Question if your categories are relevant*. Look for differences *within* groups, as well as similarities *across* groups. Split large groups into smaller, more meaningful categories (e.g. not everyone in China and Africa have the same income levels). Replace categories that are over-simplified and misleading, like how Rosling replaced "developing countries" and "developed countries" with the 4 income levels.

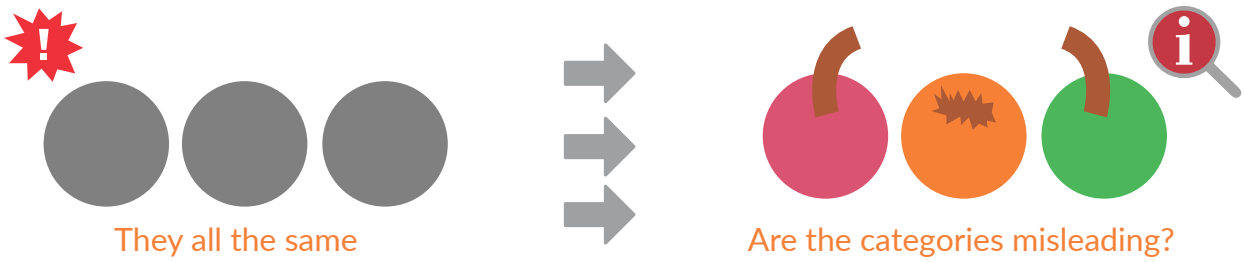
KEY QUOTES

"Strategic business planners need a fact-based worldview to find their future customers."

- Beware of *extreme examples* or vivid images that may be memorable but represent the exception rather than the norm. Be mindful that the word "*majority*" can mean anything from 51%- 99%.

- *Broaden your perspective*. When you can't make sense of a solution or practice, consider if it could be smart from a different angle, rather than assume people are stupid. When you travel, stay with people from other income levels rather than in tourist hotels. Examine the photos from Dollar Street to understand how people from different income groups across the world live.

CONTROLLING THE GENERALIZATION INSTINCT



KEY QUOTES

7. The Destiny Instinct

We tend to assume that (a) the destinies of people, cultures, countries etc. are predetermined by certain factors, and (b) such factors are fixed and unchanging. As a result, we assume that other people, groups or countries will always behave in a particular way and are destined to succeed or fail.

In reality, societies and cultures are **constantly shifting**.

- Over the last 100 years, societal structures, values, and practices have changed everywhere. For example, the strong support for women's rights in Sweden today is a huge shift from the predominantly patriarchal values of the 1960s. Likewise, life expectancy in several large African countries have improved to be above world average.

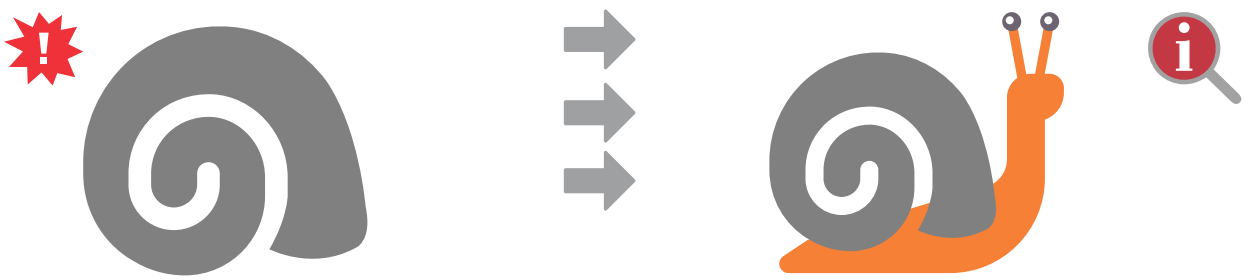
- We also shouldn't assume that all Western countries will continue to grow steadily, nor that they will always stay ahead of the "developing countries".

"Societies and cultures are not like rocks, unchanging and unchangeable. They move."

To control this instinct, realize that gradual shifts may not be obvious, but will add up over time to create massive change.

- *Slow change ≠ no change*. A gradual improvement of 1% a year will accumulate to 200% improvement in 70 years.
- Realize that knowledge can go out of date quickly and seek to *update your knowledge regularly*.
- Look for *examples of cultural change* which can be found everywhere. For example, speak with your grandparents about their lives in the past and compare their values with yours.

CONTROLLING THE DESTINY INSTINCT



KEY QUOTES

"Challenge the idea that today's culture must also have been yesterday's, and will also be tomorrow's."

8. The Single Perspective Instinct

We tend to focus on single causes or solutions—such singular perspectives are easier to grasp and make our problems seem easier to solve.

Unfortunately, **singular worldviews** are completely misleading, and you shouldn't trust any one information source. For example:

- *Experts* are just as susceptible to dramatic filters as other people. They may also be biased toward their area of expertise and lack knowledge in other problem areas.
- *Activists* tend to play up the scale of the problems they are devoted to solving (e.g. human rights, animal protection), and play down the progress that has already been made.
- *Idealogues* tend to narrowly present their ideology (e.g. equality, free markets) as the best way to solve the world's problems, when there's always more than 1 way to solve any problem.

"Great knowledge can interfere with an expert's ability to see what actually works."

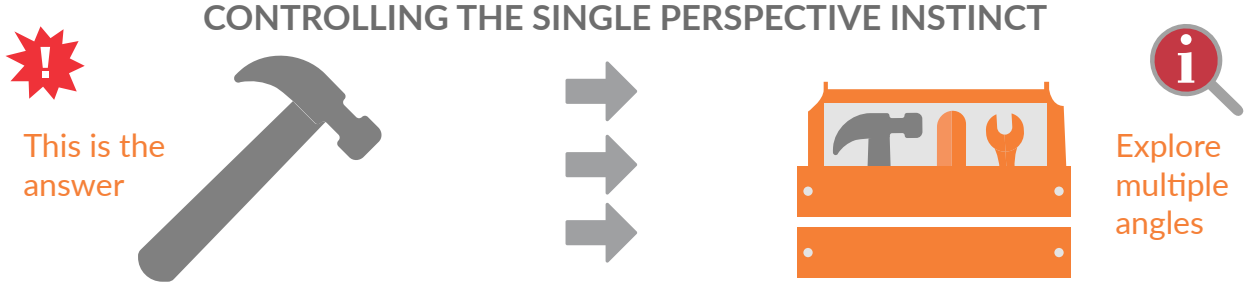
"Beware of simple ideas and simple solutions. History is full of visionaries who used simple utopian visions to justify terrible actions."

- Likewise, *numbers* help us to understand the world, but we can't explain everything using numbers. *Medicine* is vital in battling diseases, but it's not the only way to save lives. *Democracy* may be a great way to run a country, but it's not the only way to deliver economic and social progress.

To control this instinct, examine problems from multiple angles.

- *Work with a toolbox, not just a hammer*. Don't let your expertise blind you to alternative views, and don't rely on 1 tool to solve all problems. Work with people who're strong in other fields. Use numbers but don't rely only on them.
- *Test your ideas or hypotheses* on a wide range of samples, including people who disagree with you.

CONTROLLING THE SINGLE PERSPECTIVE INSTINCT



9. The Blame Instinct

When something goes wrong, we instinctively blame it on someone or something. If you slip on a puddle of water, your first instinct may be to blame the person who spilled the water, or the cleaner who failed to mop it up. By focusing on these factors, you miss the simple fact that you slipped because you weren't paying attention to your steps.

The blame instinct **distracts you from the real causes** behind the problems and hinders your ability to solve them. When you blame the "bad guys" (e.g. unscrupulous businessmen or dishonest journalists), you:

- Exaggerate the influence of a *single individual or group*;
- *Stop thinking* about the problem in depth; and

KEY QUOTES

"No single measure of a good society can drive every other aspect of its development. It's not either/or. It's both and it's case-by-case."

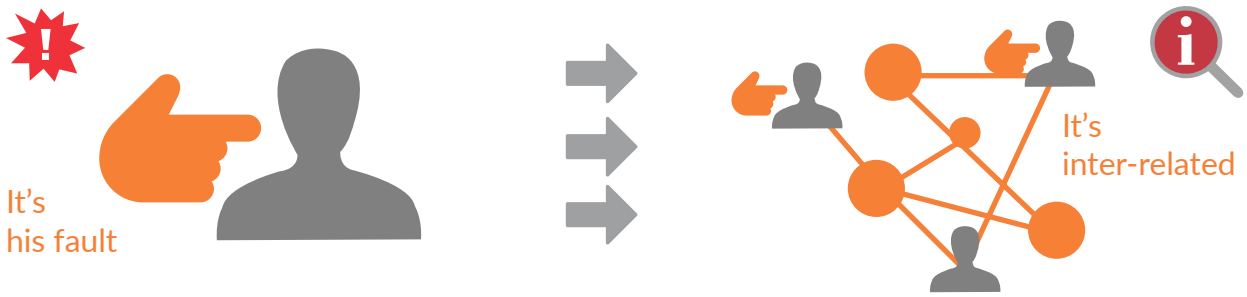
"This instinct to find a guilty party derails our ability to develop a true, fact-based understanding of the world: it steals our focus as we obsess about someone to blame, then blocks our learning because… we stop looking for explanations elsewhere."

- Neglect the *interrelated roles* of systems, institutions and technologies. For example, you can launder your clothes with a washing machine not just because of the supplier who sold you the machine, but because of countless people and organizations who led to the invention of the machine, and deliver water and electricity to your home.

Any issue—especially complex ones like global warming—always involves a system of **interrelated causes**. It's futile to blame any single entity. Likewise, no single leader or group can claim full credit for a certain outcome.

To control this instinct, look for causes and systems, instead of villains and heroes. Seek to understand how multiple factors interact in a wider system to create the situation. Ask yourself if the outcome would still have happened without an individual or organization.

CONTROLLING THE BLAME INSTINCT



10. The Urgency Instinct

We tend to rush into a problem or opportunity for fear that there's no time and we may be too late.

Businesses, political/religious leaders all understand this instinct. That's why we're constantly bombarded by limited-time offers or predictions of impending danger to scare us into action. Unfortunately, when we're stressed or fearful, we cannot analyze the situation properly and tend to make **bad, impulsive decisions**.

To control this instinct, realize that what feels urgent usually isn't.

- Calm down and look for *relevant and accurate data*, so you can validate the claims and understand the real situation.

KEY QUOTES

"It's almost always about multiple interacting causes—a system."

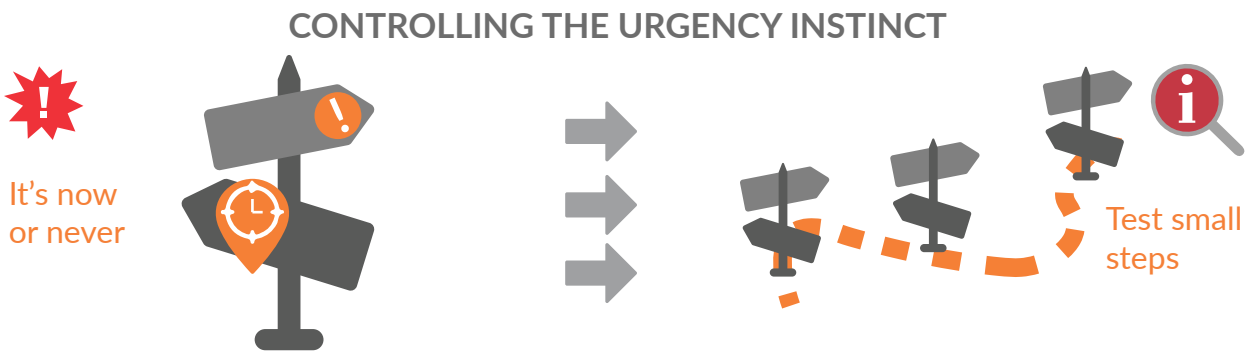
"If you really want to change the world you have to understand it. Following your blame instinct isn't going to help."

"When we are afraid and under time pressure and thinking of worst-case scenarios, we tend to make really stupid decisions."

"When you are called to action, sometimes the most useful action you can take is to improve the data."

- *Beware of predictions* about the future, since most long-term forecasts (be it of the weather, economy or stock markets) are inaccurate.

- Don't jump into drastic solutions, as they may create other unexpected problems. Instead, consider if an idea has been tested, and use *step-by-step improvements* so you can validate if they're effective.



Using Factfulness in Daily Life

Our dramatic instincts exist for a reason and everyone has them. The key is to manage these instincts, so we can think factfully and find better solutions based on a real understanding of the world.

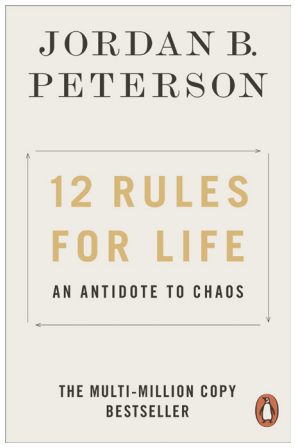
- Education: Teach our children about the 4 income levels so they can understand the world they live in. Help them to use factfulness as a part of critical thinking, challenge their assumptions and stay open minded to new information. As adults, we should also constantly update our knowledge. Improve how you filter and consume the news, rather than rely on journalists, activists, and politicians to present factual and balanced reports.

- Business: By using facts rather than assumptions, businesses can make better decisions about consumers, recruitment, investments etc. Start by identifying the most important facts your organization should have, and ask how many people actually know them.

KEY QUOTES

"When we have a fact-based worldview, we can see that the world is not as bad as it seems—and we can see what we have to do to keep making it better."

"Ultimately, it is not journalists' role, and it is not the goal of activists or politicians, to present the world as it really is…it is up to us as consumers to learn how to consume the news more factfully."



12 RULES FOR LIFE

An Antidote To Chaos

JORDAN B. PETERSON

The Big "So What"

For centuries, religion has played a major role in man's quest for stability and meaning. The rise of secularism and nihilism brought new ideologies, but also a growing sense of emptiness. Based on years of research across various topics, Peterson presents 12 rules of life to help you live with meaning and purpose.

Introduction

Rules vs freedom. Human beings don't like rules and restraint. Yet, we need structure in our lives, which is impossible without rules. Rules bring order, facilitate cooperation and stable relationships. Without rules, there'll be chaos and uncertainty.

Peterson believes that the way to live a free and full life is to embrace rules that help you to produce good in life.

- *Relativists* believe that there's no universal truth—everything from moral values to virtues is subjective, and there's no "right" or "wrong". Yet, if you tolerate *everything* and won't make a stand on *anything*, your life becomes directionless.

- On the other extreme, *ideologues* impose their beliefs on others, thinking they know what's right/best. They adopt an authoritarian approach to judge and censor everything.

- Instead of adopting either extremes above, Peterson believes that Good is the simply the prevention of Evil, and *good rules* that reduce unnecessary human suffering will help us to live better lives.

After years of researching various topics (from history to religion, mythology, neuroscience and psychology), Peterson developed the **12 Rules of Life** in this book. These rules are

KEY QUOTES

"The best rules do not ultimately restrict us but instead facilitate our goals and make for fuller, freer lives."
- Dr Norman Doidge

"Alongside our wish to be free of rules, we all search for structure."
- Dr Norman Doidge

"Shared beliefs simplify the world…because people who know what to expect from one another can act together to tame the world."

"We must each adopt as much responsibility as possible for individual life, society and the world."

"If we each live properly, we will collectively flourish."

built on the fundamental rule that we must each take responsibility for our own lives. Get your life in order and do the best for yourself, your society and the world at large. Only then will you discover the true extent of your potential and resilience, while helping mankind to thrive collectively.

The 12 Rules for Life

Rule 1: Fix your posture

All animals, including humans, are governed by **dominance hierarchies** and involuntary biochemical responses.

- Lobsters battle for dominance. During a confrontation, 2 lobsters size each other up using their body/claw sizes and chemical secretions (which signal their health, strength and mood). Dominant lobsters have higher serotonin levels, project greater confidence, a better posture, and can fight longer. An alpha lobster typically "wins" without even having to fight physically.

- After each confrontation, a lobster's brain changes—the loser avoids further conflict, whereas the victor gains even higher confidence and serotonin levels. Similar patterns can be found in other animal species—generally, stronger animals get more food, better "homes", higher status, better mates, and greater cooperation from others. That's nature's way of distributing scarce resources.

Likewise, humans have a dominance detector in our brain. How we perceive our social/economic status affects our well-being which reinforces our status in a **positive feedback loop**.

- People with *strong self-esteem* feel/transmit a sense of security and confidence, which makes them more attractive and respected. This improves their productivity and well-being, which further reinforces their self-perception. Higher serotonin levels are associated with greater resilience, happiness, health, lifespan, pro-social behavior and leadership.

- On the other hand, people with a *low self-perception* feel insecure. They're more likely to be stressed, jumpy and

KEY QUOTES

"The dominance hierarchy...is a master control system, modulating our perceptions, values, emotions, thoughts and actions."

"There is an unspeakably primordial calculator, deep within you...It monitors exactly where you are positioned in society—on a scale of one to ten, for the sake of argument."

"Circumstances change, and so can you."

reactive. They make poor decisions, fail to command respect/resources, which reinforce their loser complex.

In short, our self-perception affects the vibes we transmit to create a self-reinforcing loop. If you feel like a loser for whatever reason, the first step is to **break the negative cycle by correcting your posture**.

- *Don't slouch*. It conveys defeat and a low status, which prompts others to treat you poorly and reinforce your low self-perception.

- *Fix your posture*. Stand straight, push your shoulders back, speak up and make eye contact. This signals confidence to yourself and others. You'll feel better, others will show you more respect, and it starts a virtuous cycle. It's about standing tall, facing up to reality and taking responsibility to become all you can be.

Rule 2: Care for yourself the way you care for others

We tend to take better care of our pets than we do ourselves. When a pet is sick, we diligently follow the prescribed care. Yet, when we're sick, we fail to fill/take our prescriptions. Peterson argues that we self-sabotage our success because of our **self-loathing**, or an inner belief that we're not worth helping.

- He explains this using the Biblical story of how Adam and Eve ate the forbidden fruit and saw themselves as naked, ugly and shameful. We still carry the original sin today—we are aware of the human capacity for evil and secretly loathe ourselves.

- On the other hand, our pets and children are faultless—they're innocent and hence deserve all the help/care we can give.

Chaos and Order must coexist. They're 2 sides of the same coin, like the duality of yin and yang, of masculinity and femininity. Even in the garden of Eden (a place of goodness created by God), Chaos wove its way in (as the evil serpent).

- *Order vs Chaos*. Order is the "explored territory" of what we know and understand. Things are in order when they

KEY QUOTES

"To stand up straight with your shoulders back is to accept the terrible responsibility of life, with eyes wide open...It means willingly undertaking the sacrifices necessary to generate a productive and meaningful reality."

"Order is the place where...all things turn out the way we want them to."

go according to our expectations and desires. You're surrounded by familiar environments, routines and concepts you understand. Chaos is the "unexplored territory" of the things we don't yet know or understand. When you're betrayed by someone or hit by disaster, your world collapses around you and you fall into an emotional turmoil.

- Order gives us structure, stability and certainty, but can also bring oppression and limitation if taken to the extreme. Chaos represents instability and uncertainty, but can also bring freedom and potential. Life is about *balancing the two forces*—we need a blend of stability and renewal, of security and change. We need danger and challenges in order to grow and mature.

To counter self-loathing, you must **believe you have an important mission in this world**. To do good, you must first take care of yourself and be healthy physically and mentally.

- See and treat yourself the way you do your pet or children—focus not just on your flaws but also your potential.
- Get clear on your strengths and limitations, your principles and priorities, your goals and directions, and what you must learn or do to achieve them. Build discipline by keeping the promises to yourself. These will bring order, hope and direction to your world.

Rule 3: Surround yourself with people who want the best for you

We become the average of the people we spend the most time with. In the wrong company, we can end up in crime or even suicide. So, **why do we hang around people who drag us down?**

- We may think we're *"rescuing" others* in need, though our real reasons are often not so altruistic. We may be playing savior to feel virtuous or to make our own conditions seem better (e.g. our drinking problem can seem ok next to a chronic alcoholic). We may secretly enjoy the sense of power over the other person, or use it as a distraction to avoid the real challenges that we should be tackling.

KEY QUOTES

"Chaos is the domain of ignorance itself. It's unexplored territory....it is...all those things and situations we neither know nor understand."

"You need to place one foot in what you have mastered and understood and the other in what you are currently exploring and mastering...That is where meaning is to be found."

"You should take care of, help and be good to yourself the same way you would take care of, help and be good to someone you loved and valued."

"A hero is something positive, not just the absence of evil."

- Or, we may simply be *taking the easier path* in life. It's easier to engage in vice than to stick to virtue, to not care about anything than to make a stand and fight for meaningful goals.

The truth is, people in the dumps are there often because they won't take ownership of their problems. **You can't help people who're not willing to help themselves**.

- Others may exploit your generosity, try to keep you from outshining them, or drag you down so they feel less like a loser. Or, they may be seeking charity without taking responsibility for their problems, and your help only disempowers them further.

- Studies found that team effectiveness tends to fall to the lowest common denominator. Even with the best of intentions, a negative person can still drag you—and your entire team—down.

Surround yourself with people who want the best for you.

- People who want you to succeed will not allow you to engage in destructive thinking or to mistreat yourself. They'll push you to do what's right (however difficult), and encourage you to move upward. *Real friendship* is not about blind loyalty. It's about reciprocity, with both sides supporting and pushing each other to greater heights.

- Don't associate with people who drag you down, use you as a life buoy, or expect charity without taking personal responsibility for their own actions and growth. Use this *rule of thumb*: If you won't recommend a friendship to someone you care about, then don't keep that friend yourself.

Rule 4: Improve your own game instead of playing others'

In a highly-connected, populous world, you can always find someone who's better than you—be it in looks, wealth, status or relationships. No matter what you've achieved, you can still **feel miserably inferior** compared to others.

- Everyone has different goals and there's no fixed benchmark for success. *Stop being obsessed with others'*

KEY QUOTES

"Loyalty is not identical to stupidity. Loyalty must be negotiated, fairly and honestly."

"No matter how good you are at something, or how you rank your accomplishments, there is someone out there who makes you look incompetent."

"If something can be done at all, it can be done better or worse."

successes. Instead, get clear on your goals and what being "better" means for you.

- Think of life as a game, each with its own set of rules and objectives. You're free to try new games until you find the one(s) that fit your unique strengths, weaknesses, circumstances and goals. There's no need to win every single game—it's more important to *keep improving your game*.

Look deeply inward to **figure out what you truly want and why**. Get to know yourself like how you would a stranger: What are your values, interests and motivators? What makes you tick? With that understanding, you can push yourself to do better.

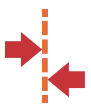
The past is fixed, but what you do today decides the future. If something is not right in your life (or you), fix it. **Take baby steps daily**: set small goals within your abilities, then reward yourself each time you achieve them. Ask yourself, "What could I do, that I would do, to make life a little better?" Every day, find something small that you can fix. Over time, you'll keep raising the baseline and reap the power of compounding.

Your goals determine what you see—once you set your sights on something, you'll zoom in on things that support or hinder these goals. As you focus on daily improvements, your viewpoint will shift.

- For example, if you set a narrow goal to have your boss's job, you'll feel stuck if he doesn't move on. But, if you aim to improve your life in a way that also improves others' lives, you'll suddenly find yourself surrounded by possibilities. The world hasn't changed, but your options have, because the change in perspective has removed your self-imposed limitations.

- Keep focusing on what you can do daily to make your life better, without being fixated on what "better" means. Allow it to evolve as you do.

Rule 5: Teach your children to abide by society's rules



Children aren't born with social-cultural skills—they **must be taught** how the world works and how to navigate human society.

KEY QUOTES

"Before you can articulate your own standards of value, you must see yourself as a stranger—and then you must get to know yourself."

"You could watch the precious days tick by. Or you could learn how to entice yourself into sustainable, productive activity."

"What you aim at determines what you see."

"Children must be shaped and informed, or they cannot thrive."

- Kids push boundaries (e.g. throw tantrums or hit their parents) to learn what's permissible and what isn't. Parents who don't *set clear boundaries* for their young kids only end up hurting them in the long run. If you don't correct your child when he hits or bullies others, he'll struggle to make friends and interact meaningfully with others.

- Many modern parents are afraid to *discipline* their kids, for fear of losing their love or limiting their creativity. Others are simply lazy or negligent. Research shows that boundaries improve (not hinder) creativity, security and achievement in the long run. Discipline can always be done with care and mercy, e.g. using timely rewards and reinforcement (like a praise or a pat on the head) when your child does something right.

- Don't be afraid to *use both positive and negative emotions* to educate your child. Positive feelings (e.g. satisfaction) teach us what to do more of, while negative feelings (e.g. pain) teach us what not to do.

If you want your children to succeed, help them to become well-liked. Teach them the rules now, so they won't be punished harshly by society in the future. Use these **5 principles** as a guide:

- *Limit only to essential rules*, e.g. no violence except in self-defense, pay attention when adults speak to you, take care of your belongings etc.

- Use the *minimal amount of force* required to enforce these rules. Experiment with different approaches to identify what works for your kid, e.g. a firm glare, verbal commands or physical discipline.

- Parenting is *best done with a partner*, so you can cover each other when one party makes a mistake.

- Parents have finite patience too, and are capable of *anger and revenge*. If your kids get out of hand, you may start to resent and subtly punish them (e.g. by ignoring them). This can start a vicious cycle if they resort to more extreme behaviors that trigger even more resentment in you.

KEY QUOTES

"Poorly socialized children have terrible lives. Thus, it is better to socialize them optimally."

"It is an act of responsibility to discipline a child. It is not anger at misbehavior. It is not revenge for a misdeed."

"The fundamental moral question is not how to shelter children completely from misadventure and failure…but how to maximize their learning so that useful knowledge may be gained with minimal cost."

"It is the primary duty of parents to make their children socially desirable. That will provide the child with opportunity, self-regard, and security."

- *Serve as a proxy for the real world*. Teach your kids what's acceptable or unacceptable, and how to behave in a way that'd make others like them. Teach them how to follow social norms graciously without conforming blindly.

Rule 6: Get your own house in order before criticizing others

Setbacks and suffering are inevitable in life. Some people respond with denial, helplessness, anger, or even acts of vengeance (e.g. genocide). Yet, others are positively transformed by adversity—they make peace with what happened and devote themselves to making a positive difference. A victim of abuse can grow up to be a bully, or he can help other victims of abuse.

Evil can breed evil, but it can also teach us about goodness. You can experience pain and setbacks without being "corrupted" by it. The key is to get your own house in order instead of pointing fingers.

- There's *always* something within your control, e.g. you can't control the economy but you can be prepared for a financial crisis. Instead of feeling bitter and resentful (which won't make things better), *redirect your energy* to constructive uses.

- *Take stock of your situation*: Have you taken full ownership of the problem? Have you done everything possible (and used every available resource and opportunity) to make things better? Get your own house in order before you criticize others. Find your internal peace before advising others what to do.

- If you know something is wrong, stop doing it. If you know there's something you should do, then get it done. Be honest with yourself, and trust your *own judgement and standards* instead of constantly looking to others for direction. Do/say only what you believe is right and makes you feel strong. Over time, you'll make peace with yourself, gain clarity on who you are and what you want, and can move ahead confidently in life.

KEY QUOTES

"People who experience evil may certainly desire to perpetuate it, to pay it forward. But it is also possible to learn good by experiencing evil."

"Have some humility. If you cannot bring peace to your household, how dare you try to rule a city?"

"Stop saying those things that make you weak and ashamed. Say only those things that make you strong. Do only those things that you could speak of with honour."

Rule 7: Focus on a higher purpose, not instant gratification

We can use suffering as an excuse to live carelessly in the moment, or we can do something meaningful to minimize the suffering. Unlike other animals, mankind has the ability to control our primal, base desires, and to plan ahead. We understand the concept of **delayed gratification**—to do the hard things today to make our lives better in future—such as saving for a rainy day instead of spending every cent. The challenge is figuring out (i) what/how much to sacrifice today and (ii) whether the future outcome will be worth it.

To know how to live, we must first come to terms with who we are and **what values we will live by**. Peterson explores how mankind's definition of meaning/sacrifice have changed over the centuries. He also discusses how Christianity, despite its significant influence, has its shortcomings in modern society. For instance, it doesn't address present suffering or deal with problems like global warming, it devalues earthly life by focusing on eternal salvation, and frees people from personal moral obligation (since Jesus already died to redeem us). Religion doesn't provide all the answers, but it at least offers a set of guiding principles. Nihilism, on the other hand, removes all rules to create a void, whereas totalitarianism rigidly imposes a singular worldview.

Peterson suggests that a universally good outcome (regardless of your religious or ideological beliefs) is to **alleviate unnecessary pain and suffering**.

- Doing good can fill your life with meaning and even make the world's evils/injustices seem more bearable. Do whatever you can to *make the world a little better each day*, e.g. counsel someone out of a bad situation or empower others to do good.

- Think deeply on who you must become to live your life most meaningfully. The greater the transformation, the greater the sacrifice you must make. Don't focus on expedience or short-term impulses. Inhibit your urges and direct your energy toward a higher goal. Aim to *align everything in your life* so they converge on a single axis. Take actions that concurrently fit your values/purpose and benefit yourself, your loved ones and the world at large.

KEY QUOTES

"The fact of life's tragedy and the suffering that is part of it has been used to justify the pursuit of immediate selfish gratification for a very long time."

"Freedom—even the ability to act—requires constraint."

"Meaning is what manifests itself when the many levels of Being arrange themselves into a perfectly functioning harmony."

Rule 8: Find your personal truth and live it

All of us are guilty of **lying to ourselves and others**.

- We *lie to others*—outrightly, with half-truths or misleading words—to get what we want and to avoid pain, e.g. to seem more competent, avoid conflict or be well-liked.

- We also *lie to ourselves* about who we are, what we want and what we can/can't do, e.g. that we're happy with our jobs, that a bad habit isn't harmful, or things will work out magically.

- When you tell a lie, you feel unsettled. You may try to forget the incident or find excuses afterward, but deep inside, *you know when you're lying*. It's not an unconscious act.

You may get stuck in a "life-lie" because you're too **narrowly fixated on a predefined outcome** that you twist everything—your thoughts, perspectives and actions—to achieve it at all cost. For example, you announce at the age of 20 that you'd retire by 50 with a house by the beach, and refuse to change course even when you realize later that it's not what you truly want. Don't let stubborn pride blind you to signs that you're on the wrong path.

You may also stick with a lie to **escape mistakes from the past**. You can't fix something if you're hiding from it. In fact, one small lie can lead to another, until you're ensnared in a trap of your own making. On the other hand, when you face up to a truth/challenge, you can find new info and solutions. In fact, organisms have been found to activate new genes in a new environment. So, each time you try something new, you're actually transforming yourself.

Find your personal truth and act consistently with it. If your life isn't ideal, start by being honest with yourself about *why* it is so.

- Set a concrete goal to work toward—ideally one that focuses on developing your character/ability, not on achieving power/status. Treat your ambition as a *direction* to work toward, but stay open to new options as you learn and evolve.

KEY QUOTES

"Taking the easy way out or telling the truth—those are not merely two different choices. They are different pathways through life. They are utterly different ways of existing."

"If you make a move and it isn't helping you win, then, by definition, it's a bad move. You need to try something different."

"If you will not reveal yourself to others, you cannot reveal yourself to yourself."

"Error necessitates sacrifice to correct it, and serious error necessitates serious sacrifice."

"You are by no means only what you already know. You are also all that which you could know, if you only would."

- Accept that you have limited knowledge and there'll be uncertainty. Measure your progress and *watch for inner conflict*—it usually comes with a sense of dread or weakness (instead of strength or conviction). Act only in ways that your internal voice doesn't object to.

Rule 9: Learn to be a good listener

People need a listening ear. As a good listener, you can learn while helping others to solve problems.

Talking is a way to help people think. As people verbalize their thoughts/feelings, explore past events, and simulate the future, they can gain clarity on their views and options.

- Deep thinking is hard work. It's like having an *internal dialogue* to debate 2 or more differing viewpoints. You must articulate the ideas clearly, present conflicting arguments, challenge your own assumptions, and agree/disagree with yourself. To stay sane, most people prefer to talk to others.

- As a listener, you can *help the other person to think*. Sometimes, you don't have to say anything. Just by listening fully, you validate others and let them solve their problems. At other times, you can be a voice of reason or a mirror to help them see what they're ignoring.

If you can listen without premature judgment, people tend to trust you and share their thoughts freely. Often, you can learn valuable lessons just by listening to others' experiences.

- By contrast, *poor conversationalists* don't seek to listen or learn. They may try to exert their dominance or convince others of their view. They're constantly thinking of what to say instead of listening to what the other party is saying.

- Enter every conversation with the *assumption that you can learn* something from the other person. Let people talk/think without interrupting or offering inputs to sway their conclusion. Beware of the subtle influences from your responses or body language.

The best conversations are built on the premise that everyone has something to contribute. Everyone listens actively,

KEY QUOTES

"Thinking is an internal dialogue between two or more different views of the world."

"True thinking is rare—just like true listening."

"If you listen…without premature judgment, people will generally tell you everything they are thinking—and with very little deceit."

builds on one another's inputs, and leaves with an improved perspective and/or a better solution than what they started with.

- To ensure you've truly understood what's being said, listen carefully, then *objectively reflect on what you've observed*, e.g. "You said this and I noticed that, which made me aware of this." This helps to clarify how the verbal and non-verbal messages are being interpreted, uncover hidden assumptions and new insights.

- During a *dispute*, pause the discussion and add a new rule: Each person can only speak for himself after he has repeated the ideas/emotions of the previous person accurately to that person's satisfaction. This forces people to *truly* listen and understand each other, while consolidating the ideas to make them clearer.

Rule 10: Define your problem precisely to make it manageable

We simplify our world by seeing only what's required to survive and achieve our goals. Often, we avoid looking deeply into a problem in hope that it'll go away by itself. It's easier to pretend the problem doesn't exist, than to spell it out and confront the associated pain. Yet, left unaddressed, the **doubts and uncertainties** can build up into a catastrophic failure.

Specificity brings order to chaos. When you can't make sense of a problem or situation, you feel fearful and unsettled. You start to speculate and second-guess everything, making the problem more complex than it really is. However, once you can pinpoint the issue specifically, it becomes more manageable.

- You can't fix something if you don't know what's broken, just like a doctor cannot prescribe the right cure without knowing the exact symptoms. The only way to reinstall order is to *diagnose the problem specifically*. Be precise—define exactly what is wrong and why, what you want and what you're going to do about it. Speak carefully and precisely about what's going on, so you can filter out the exact issue and actionable parts instead of being overwhelmed by a host of irrelevant or imagined issues.

- Things left unsaid in *relationships* can cause suspicion and resentment to build up and create a tangle of issues

KEY QUOTES

"Listen, to yourself and to those with whom you are speaking. Your wisdom then consists not of the knowledge you already have, but the continual search for knowledge, which is the highest form of wisdom."

"Not thinking about something you don't want to know about doesn't make it go away."

"Precision specifies. When something terrible happens, it is precision that separates the unique terrible thing that has actually happened from all the other, equally terrible things that might have happened—but did not."

and emotions. If you feel uneasy about something, define explicitly what's troubling you and discuss it with your partner. Tackle interpersonal conflicts by addressing 1 specific issue at a time. Don't allow things to build up, nor drag in other events or issues in your discussions.

Rule 11: Accept that inequality exists

Some postmodernists argue that **gender** is entirely a social construct, i.e. it's no more than a tool for men to oppress women. Peterson disagrees. He cautions against pushing for men and women to behave in *exactly* the same way, as it goes against our biological nature and can backfire.

- The truth is, men and women are *biologically different*. Historically, women were disadvantaged not solely due to male oppression. There were also biological reasons e.g. the burden of reproduction, menstruation, unwanted pregnancies, bodily damage from childbirth etc. Male and female animals play different roles in nature, yet no one calls it gender inequality.

- Peterson advocates giving people the *social freedom* to choose what they prefer instead of insisting on a 50-50 split in every profession. If, given the freedom, women still prefer nursing and men prefer to design bridges, why not leave them be?

Another postmodernist argument is that **hierarchy** exists merely a tool for the rich to suppress the poor. Hierarchies do create inequalities, but not because the rich uses it for exploitation and exclusion. Hierarchies help us to organize ourselves, and status in healthy societies comes from competence, not power.

Peterson warns against simplistic worldviews that focus narrowly on 1 single factor (e.g. gender). **Inequality is a fact of life**. If we insist that women should earn as much as men, should we also insist that everyone of the same race, nationality and age earns the same salary? Leave such choices to the marketplace instead of forcing a homogenous outcome.

- In fact, the extreme views on gender equality may have *tipped the balance against men* in many areas. It's often

KEY QUOTES

"Precision may leave the tragedy intact, but it chases away the ghouls and the demons."

"Any hierarchy creates winners and losers."

"In societies that are well-functioning... competence, not power, is a prime determiner of status."

acceptable for a girl to excel in a "boyish" activity or beat a boy, but not vice versa. In certain university disciplines, males are also disadvantaged compared to females.

- We also risk *"feminizing" boys* by protecting them from danger or teaching them not to be aggressive or competitive. In the end, women still want men who're smarter and tougher than them. As it is, highly-educated women already struggle find suitable partners—by training little girls to stand firm and training little boys to be gentle, we'll only hurt both genders in the long term.

Leave the kids as they are. Don't brainwash them with unproven theories on gender and hierarchy, nor socialize hem to act against their biological nature. Let them find their own way.

Rule 12: Take time to appreciate the good things in life

Suffering is inevitable and some people just seem to have a worse lot in life than others. Peterson's own daughter suffered from a rare juvenile rheumatoid arthritis, and was plagued with years of chronic pain. What kind of god would allow innocent children to suffer or permit atrocities like mass genocide?

Yet, **our pains and limitations are what make our joy and triumphs meaningful**; they make us who we are. If we're all-powerful and omnipresent, life becomes dull and pointless.

- When Superman was first created as a comic book character, he had such godly powers that he could do *anything*. Without struggles, learning and growth, he became boring. So, the franchise recreated Superman with a weakness—kryptonite.

- What we admire about others are intertwined with their struggles and limitations. Loving someone means loving their imperfections too.

You can hate the universe for your suffering. Or, you can accept it as a part of existence, and **focus on goodness and options** instead.

- Limit the time you spend thinking of your *pain and illness*. Never think of it at night to avoid disrupting your sleep.

KEY QUOTES

"If you think tough men are dangerous, wait until you see what weak men are capable of."

"Too much protection devastates the developing soul."

"If you are already everything, everywhere, always, there is nowhere to go and nothing to be...No limitation, no story. No story, no Being."

"Once you are aligned with the heavens, you can concentrate on the day."

- Notice and appreciate the *everyday goodness* that makes life worth living. Watch a kid splash in a puddle, pet a cat when you see one, or enjoy a nice cup of coffee. Do your forward planning when you're feeling good, since you can't do so effectively when you're in the clutches of pain.

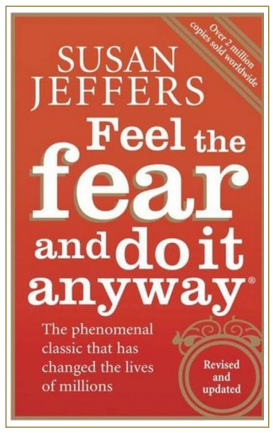
Other Details in the Book to Look out For

In the book, Peterson shares (in great detail) a range of personal stories and perspectives, his interpretation of Biblical and mythical stories, references to and citations from various ancient texts, philosophers, psychologists, etc., to explain how he arrived at the 12 rules of life. For more details, please visit https://www.jordanbpeterson.com.

About the Author

Jordan B. Peterson (born 1962) is a Canadian clinical psychologist and a professor of psychology at the University of Toronto. He holds bachelor's degrees in political science and psychology from the University of Alberta and a Ph.D. in clinical psychology from McGill University. Peterson was a post-doctoral fellow at McGill, before becoming an assistant professor, then an associate professor, at Harvard University. He moved back to Canada in 1998.

KEY QUOTES



FEEL THE FEAR AND DO IT ANYWAY

The phenomenal classic that has changed the lives of millions

SUSAN JEFFERS

The Big "So What"

All of us experience fear. Some people are crippled by it while others thrive in spite of it. This book helps you to understand what is fear, and equips you with techniques and tools to conquer your fear and live life fully.

Introduction

Jeffers believes that fear is not a psychological problem but an educational one.

Many of us think of fear as an obstacle that prevents us from moving ahead. In reality, fear surfaces whenever we take a risk or try something new. The key is to **re-educate yourself** to accept fear as a natural and necessary part of growth.

Everyone feels fear, yet some people move ahead in spite of it while others are paralyzed by it. This shows that the issue is not with fear per se, but how we *handle* that fear. To **deal with fear**, don't try to avoid or remove it. Instead, develop the skills to act in spite of it.

In this summary, we've organized the key ideas into 2 parts: "Understanding Fear" and "Overcoming your Fears". Use this book as a guide to re-educate yourself. Then, each time you feel afraid, use one or more of the tools provided to move ahead.

KEY QUOTES

"Whatever the fear, this book will give you the insight and tools to vastly improve your ability to handle any given situation."

"If everybody feels fear when approaching something totally new in life, yet so many are out there 'doing it' despite the fear, then we must conclude that fear is not the problem."

Understanding Fear

Where your fear comes from

There are **3 key levels of fear:**

- Level 1 fears are "*surface stories*" that you tell yourself about what will happen (e.g. aging, being alone) or things you must do (e.g. making a career switch, making a speech). Often, the fear of 1 thing can spill over into other areas (e.g. a fear of meeting new people can induce fear of crowds, parties, public speaking etc.)

- Level 2 fears involve your inner states of mind rather than external factors. These are *generalized fears* that cut across many areas of life—such as the fear of rejection, failure, success—to reflect your sense of self and abilities.

- Beneath every fear is the *ultimate fear* that you won't be able to handle something, i.e. all fears are fundamentally due to a lack of confidence. Use the tools and ideas in this book to build the confidence that you can handle anything in your life. When you can shift your dominant thoughts from "I can't handle it" to "I will handle it", you'll fear virtually nothing.

While it's useful to know how your past has caused your fears, the solution comes from **taking action in the present.**

- Most fears are instilled from *childhood*. For example, you may have grown up with protective parents who'd constantly worry and warn you to be careful. These send subtle signals that you can't handle yourself.

- However, there's no point examining the past. Instead, *focus on the present* and take action to change what you don't like. If you don't want your fears to stop you from getting the most out of life, make a decision now to conquer your fears.

KEY QUOTES

"One of the insidious qualities of fear is that it tends to permeate many areas of our lives."

"At the bottom of every one of your fears is simply the fear that you can't handle whatever life may bring you."

"If something is troubling you, simply start from where you are and take the action necessary to change it."

The 5 Truths about Fear

A key idea in the book is this: when you can accept your fear and act in spite of it, you'll naturally overcome it. Jeffers helps us to understand why this is so, by breaking it down into 5 truths:

Truth #1: *So long as you're growing and trying something new, you will feel fear*. Hence, there's no point in trying to avoid your fears.

Truth #2: Many people are trapped by when-then excuses, i.e. "when this happens, then I'll do that". The *only* way to remove a fear is to do keep doing what you fear to do. When you face the unknown and handle it, you'll learn to do it better each time and gradually lose your fear of it.

Truth #3: *It's less scary to push through a fear than to constantly feel crippled and worried about the "what-ifs"*. Each time you confront a fear, you remove some of the uncertainty. The more you do so, the more you realize that you can handle anything that life throws at you, and become more liberated and confident to live life fully.

Truth #4: *When you confront your fear and do it anyway, not only do you overcome the fear, you also feel good about yourself*. Mastering something you previously feared can be deeply satisfying and fulfilling.

Truth #5: *Everyone has their fears*; they just don't usually talk about it. In short, you're not alone.

Overcoming your Fears

Moving from Pain to Power

The key to handling fear is to learn to move from a position of pain (helplessness, depression, paralysis) to one of power (choice, energy, action), so your fear no longer holds you hostage.

KEY QUOTES

"We can't escape fear. We can only transform it into a companion that accompanies us in all our exciting adventures; it is not an anchor holding us transfixed in one spot."

"The real issue has nothing to do with the fear itself, but, rather, how we hold the fear."

"Power" refers to the **inner strength and self-love** that empowers you to take control of your life situations. Many women have been conditioned to believe that power is unfeminine and unattractive. In reality, love and power go together—people who are self-assured are generally better able to open up their hearts to love. If you're a woman, Jeffers recommends that you reprogram your beliefs by repeating these affirmations at least 25x every morning, afternoon and night, feeling the energy of the words as you do so:

"I am powerful and I am loved."
"I am powerful and I am loving."
"I am powerful and I love it!"

Pain-to-Power Chart. Pain and power falls on a continuum. Use this chart to develop awareness and start making empowering decisions.

- Place an *enlarged version of this chart* on your wall. You can also make different charts for various areas of your life, e.g. work, health, relationships etc.

- *Place a pin* on the chart where you currently see yourself. Move the pin daily according to how you feel that day.

- Use the chart to guide your *daily decisions*, reminding yourself of the direction you wish to go. If you make a bad decision that brings you pain, don't get angry with yourself; learn from the mistake and move ahead so you shift back to power.

- Keep this exercise *fun and light*. You can even add fun quotes and/or make it a family activity by having your children make their own charts too.

  Getting started is always the hardest. Hence, each step above—even a small one like pinning up the chart—can be powerful to get you moving and to build self-awareness.

Pain-to-Power Vocabulary. Words can empower or wreck us. Choose your words carefully to move yourself from pain to power.

KEY QUOTES

- Jeffers shares a *simple experiment* that demonstrates the power of words. Get Person A to hold out his arm at right-angle and repeat (10x) with emotion "I am a weak and unworthy person". Then, get Person B (standing in front of Person A) to try to pull down Person A's arm—this should be done relatively easily. Next, get Person A to repeat with feeling (10x) "I am a strong and worthy person" before getting Person B to try again. This time, Person B will probably find it much more difficult to pull the arm down!

- What you say reinforces your *subconscious perception* of yourself. Words like "I can't" suggest that you're weak or have no choice, while words like "I won't" suggest that you have choices and know your priorities. Thus, it's more empowering to say, "I'd love to come to the party, but I must prepare for an important meeting tomorrow" than to say, "I can't come to the party."

- In the book, Jeffers explains each of pain-power words/ phrases below and why they empower or weaken you. Choose the words on the right column to *speak more powerfully.*

PAIN	POWER
I can't	I won't
I should	I could
It's not my fault	I'm totally responsible
It's a problem	It's an opportunity
I'm never satisfied	I want to learn and grow
Life's a struggle	Life's an adventure
I hope	I know
If only	Next time
What will I do?	I know I can handle it
It's terrible	It's a learning experience

Expand your comfort zone. All of us have a zone where things feel comfortable. Each time you do something "risky" outside that zone, it pushes your zone outward. By taking 1 small risk at a time (including changing your vocab), you'll expand your comfort zone and the range of things that you can handle comfortably.

- Every night, before sleeping, *plan the risks* you'll take the

KEY QUOTES

"The way that you use words has a tremendous impact on the quality of your life."

"Begin eliminating the terribles, can'ts, problems, struggles, and so on from your vocabulary…The more powerfully you speak, the more you will be a force in the world around you."

"As long as you are taking those risks—no matter how small—you are moving yourself to the right on the Pain-to-Power Chart."

next day, and visualize yourself doing it as vividly as possible, as if you're practicing it in your mind.

- Each time you find yourself hesitating at something, try to *push through the uncertainty*. Even if you fail to overcome your fear at that moment, you can try again in the future.

Taking Responsibility

Being a victim. It's common for people to complain about how their kids make them worry, how their spouses make them upset, or how they're stuck in their jobs due to the bad economy.

- They blame their circumstances or other people for their lousy marriage, lousy career, unhappy life, and think that their lives would be better only if others change. In so doing, they're *giving their power away* and acting as if they are helpless victims.

- In reality, we are in control of how we react to any situation in our life. No one can force you to feel happy or sad—only you can control how you feel.

Taking responsibility means recognizing the choices and power that you have, and putting yourself in the position to exercise them. Jeffers breaks this down into 7 definitions of what it means to take responsibility, and how you can recognize yourself falling into a victim mindset:

i. *Don't blame an external party or factor* for what you feel, do or have. Only you—and you alone—can control your thoughts, feelings and actions.

ii. *Don't blame yourself* for "bad" decisions or for not being in control. You always do the best you can, based on your level of personal growth *at that point in time*. Don't bash yourself for what has already happened or think "I should've known better". Embrace the experience, learn from it and move on.

iii. *Don't be a victim*. Learn to recognize when you're not taking responsibility for what you are being, having, doing or feeling. Each time you feel emotions like anger, impatience, disappointment, self-pity or envy, step back and ask yourself,

KEY QUOTES

"Inside of you, just waiting to emerge, is an incredible source of energy, which is more than sufficient for you to create a joyful and satisfying life."

"If you know you can create your own misery, it stands to reason that you can alone create your own joy."

"Until you full understand that you, and no one else, create what goes on in your head, you will never be in control of your life."

"When you blame an outside force for any of your experience of life, you are literally giving away all your power and thus creating pain, paralysis and depression."

"What am I *not* doing in my life that's causing me to feel this way about the person or situation?"

iv. *Silence the "Chatterbox"*. We all have a little voice in our head that constantly plays out what-if scenarios and predicts how we can fail, lose, or get hurt. Most of us are so used to it that we don't even realize it's there. Become aware of this voice so you can silence it using the exercises in this book.

v. *Identify what's trapping you*. Most of us feel stuck because we constantly choose something we don't want, in order to achieve something that we desire even more, e.g. to feel loved, get attention, or avoid rejection. By identifying these underlying desires, you can see new ways to get unstuck.

vi. *Decide what you truly want and take action*. Only you will know what truly matters to you (e.g. health, relationships). Make things happen; don't wait for others to give it to you.

vii. *Be aware that you always have choices*. In any situation, you always have the power to choose how to feel and act, i.e. you'll never have "no choice". Choose the path that brings you growth and peace of mind.

Cultivate awareness. Learn to face your fears and develop inner power using these exercises:

i. Think of an area where you feel stuck, and *list down all the desires* that may be keeping you trapped, e.g. what you don't want to do or face, or the self-image you want to retain.

ii. When you face a tough challenge, take time out to write down all the positive and negative ways you can feel and act. Imagine yourself going through all of them and realize the wide *range of options* you have. Consciously choose the positive responses.

iii. Think of something you're upset about, and list down all the ways you can change it to a positive experience. Look for *new points of view* in any situation.

iv. Look for *gifts* or positive outcomes that came from a "bad" situation", such as an illness or loss of a job.

KEY QUOTES

"There is no need to wait for anyone to give you anything in your life. You have the power to create what you need."

"When you are aware of what you are doing…you will lead yourself instead of being led."

v. During conversations, pay attention to *what you say*, e.g. do you complain or focus on what you're learning?

vi. Challenge yourself not to *criticize or complain* about anyone or anything, for 1 full week.

Practicing Positive Thinking

Our frame of mind affects how we feel and act, to create our reality and outcomes.

Unfortunately, we're surrounded by so much negativity and naysayers that it takes **conscious effort** to stay positive.

- When you're optimistic about something, it's common for others to tell you that you're being *unrealistic*. However, negative expectations are just as unrealistic as positive ones. In fact, it was found that more than 90% of our worries don't ever happen.
- To *counter the negatives* around you, practice positive thinking daily and surround yourself with positive people.

Use this program to **cultivate positive thinking**:

- *Use affirmations* (positive statements that something good is already happening) e.g. "I am relaxed, knowing I can handle anything." Place an audio player beside your bed, and play your affirmations first thing in the morning when you wake up. End your day with positive, relaxing materials and affirmations.
- Pick a *special affirmation* each day and write it somewhere you will see regularly. Repeat it at least 10x each time you see it.
- Whenever negative thoughts surface in the day, catch yourself and repeat the affirmations to *outtalk the negative voice*. Each time your positive energy wanes, take time out to recharge with your affirmations. Laugh whenever you can and lighten yourself up.
- Write *positive quotes* on index cards/ post-it notes and

KEY QUOTES

"There is an automatic assumption that negative is realistic and positive is unrealistic. Upon inspection, this is pure madness."

"Nothing is realistic or unrealistic—there is only what we think about any given situation. We create our reality."

place them everywhere. Take note of them as you go about your day.

- As you get dressed, play some *relaxing or uplifting music* and repeat your affirmations for at least 10 minutes.

- As you travel, plug in to *positive audio/reading material* instead of focusing on the traffic.

Making "No-Lose Decisions"

Most of us are conditioned to be afraid of making mistakes and bad decisions. We try to figure out if each option is right or wrong, then spend huge amounts of time revisiting our decisions.

In reality, you can't predict the future, and every path comes with opportunities. Make "no-lose decisions" by considering only the opportunities and what can go right with each option.

When making a major decision:

- Focus only on *potential gains*, not potential losses;

- *Research your alternatives* so you understand your options;

- *Identify your priorities*, giving yourself time to gradually discover what truly matters to you;

- After doing your research and considering your options, *trust your intuition*; and

- *Relax* in the knowledge that you'll be able to handle any "bad" decision and learn from it. Treat your whole life as a university, so you can view events like divorce, illness, or retrenchment merely opportunities to learn and grow.

After making a decision:

- *Discard your expectations* of how things "should" be. Focus fully on the actual opportunities in front of you, rather than dwell on the what-ifs.

- *Accept full responsibility* for the decision. Never blame others if things don't go well. Instead, feel good about the

KEY QUOTES

"There really is nothing to lose, only something to gain, whatever the choices you make or actions you take in life."

"There was no right or wrong decisions, just different ones."

"It is through confusion that you finally come to clarity."

"Security is not having things; it's handling things."

"An upset in your life is beneficial, as it tells you that you are off course in some way and you need to find your way back to your particular path of clarity once again."

lessons you're learning and embrace your mistakes as a natural part of growth.

- Allow yourself to *change course*. If you've done your best to make something work, but it turns out to be a bad choice, let it go and move on. There's no point in protecting a past decision for the sake of doing so. Instead, focus on course-correction, recognizing that what's "right" for you could change as you grow. Listen to your inner cues—if you're feeling confused, it's a sign that you may be off-track.

Handling Relationship Changes

As you grow, your close friends and family members may feel uncomfortable and start reacting negatively.

Don't be afraid to **change or expand your social circle**.

- Both positivity and negativity are contagious. As you become more positive, you may find it less enjoyable to be around negative people (including friends who blame and complain). Don't be afraid to *outgrow your old friends*. Stay true to your path—those who're keen to grow will eventually shift under your influence, while others will gradually disappear.

- *Expand your circle* by consciously reaching out to people you admire. Find their contacts and initiate contact via a phone call or email. You can also meet positive, growth-oriented people at self-improvement workshops or seminars.

- Likewise, your *spouse* may feel threatened by your growth. Have faith that he/she wants the best for you, and will one day appreciate your positive changes. If you eventually end an unhealthy relationship, be confident that you'll find a positive mate who'll support you on your growth.

As you try to overcome your fears, you may feel frustrated if your friends/family seem unsupportive. Initially, you may swing between aggression and passivity as you learn how to **assert yourself**.

- If your loved ones discourage you from stepping out or tell you that you that you'll fail, *don't lash out at them*. Instead, understand their insecurity, share your confidence and let

KEY QUOTES

"If you've truly committed yourself to something, given it everything you've got, and then concluded that it is not for you—move on to something else."

"Most of us are not aware that we belong to the moanand-groan crowd until we stop moaning and groaning."

"Like attracts like. As you begin to change, you will automatically draw and be drawn to a different kind of person."

"As soon as you stop agreeing with their victim act, they will either disappear or join you on the path to power and love."

them know you want their support, e.g. "I understand why you feel I'm being selfish. I've not been as available to you as before. It's not easy for me to change, but I really want to grow myself. I'd love to have your support and I want you to know that I love you very much. How can we improve the situation together?"

- *Be patient*. Give yourself the time and space to learn and adjust. Try to center yourself using relaxation audios, meditation, or affirmations.

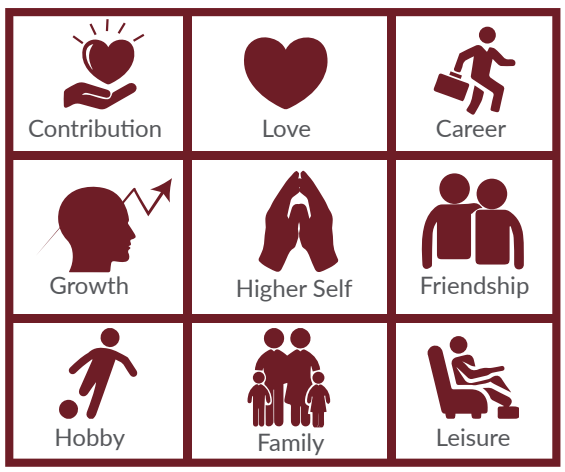
Living a Whole Life

It's common for people to devote their entire lives to someone or something (e.g. their spouse, kids, or work), and feel devastated when they lose what they consider to be the centre of their lives.

Your life comprises **many aspects**, including love, friendships, personal growth, leisure, work, family, contribution etc.

Plot out the key areas of your life on a **whole-life grid**, and make a commitment to grow each of these areas. Try to include "contributions" as one of the key areas for fulfilment and growth.

- Having a *full grid* will make it less scary to lose any one component. Even if something happens (e.g. losing your job), you won't feel as if your entire life has collapsed, and it'll be easier to rebuild that part of your grid.



- Focus on each box in your grid, visualizing what you'd want that aspect of your life to be like. Imagine what you'd do and feel if you truly care about and are committed to that area, then take concrete actions to *make your vision a reality*. Stay motivated by plugging in to a self-help group, a growth buddy or a professional who can help you stay on-track.

KEY QUOTES

"When we are concerned with something bigger than ourselves, our fears are greatly diminished."

"Whatever you create in your grid can become a reality—if you are committed to taking the necessary action."

- Keep asking, "*How whole is my life*?" and set daily goals for *all* the boxes in your grid, rather than focus on only 1-2 areas.

Saying "Yes" to the Universe

One of the keys to facing your fears is to learn to accept what life puts in your path, even if it's painful.

Saying "yes" doesn't mean giving up. It's about **facing the realities** of the situation so you're in a position of power to act on it.

- *Don't resist* what is. Imagine you've just lost both your legs after a major car accident. Rather than lament "why me?" and wish it didn't happen, accept what has happened and focus on what you can do with the situation.

- *Don't deny your pain*, as it'd only build up and manifest in other ways (e.g. anger, depression or physical ailments). Accept and deal with the pain, without blaming yourself.

To help yourself say "yes":

- *Read up about others* who've found meaning in dire situations e.g. those who were imprisoned in concentration camps or were severely crippled. Realize that you can handle it too.

- Surround yourself with *signs and quotes* to remind yourself to make the most of your situation.

- *Physically* nod your head to affirm your acceptance of an idea, or gradually relax your body from head to toe to release tension.

- Practice saying "yes" to small *day-to-day events*, e.g. when you lose something or when someone spills coffee on you. Develop the habit of looking for positives in any experience.

Choose Love and Trust

When we give, most of us subconsciously expect something in return, be it appreciation, love or other rewards. If you can give

KEY QUOTES

"Let go and let the river carry you to new adventures by the way you experience your life. In this way—and only in this way—it is impossible to lose."

"When we give from a place of love, rather than from a place of expectation, more usually comes back to us than we could have imagined."

freely without expecting anything in return, you won't be afraid of being conned or losing out, and you tend to end up getting even more than expected.

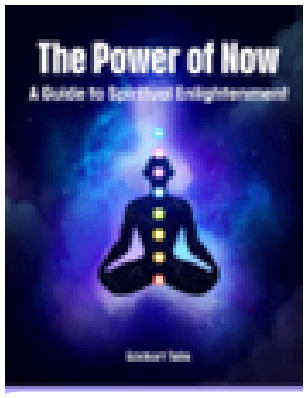
There are many ways to **start giving freely**, including giving your appreciation, praise, money, love, useful information and resources, or your time and energy. The key is to offer them freely without expecting anything back in return.

Our fear of loss or sense of lack is all in the mind. **Build awareness of your abundance** by listing down at least 150 things that you had/have, and keep adding your daily blessings. Try giving away what you think you lack (e.g. money, time, energy), keep reading/listening to positive material and repeating your affirmations. When you realize how much you have, you will no longer be afraid to give.

KEY QUOTES

"What often looks like love is not—it is need."

"Lack is only in the mind."



THE POWER OF NOW

A Guide to Spiritual Enlightenment

ECKHART TOLLE

The Big "So What"

This book is a spiritual self-help guide to help us discover our true Being, release our pain and find deep inner peace. When we are intensely present in the Now, we respond from deep consciousness and flow with ease and joy in life. In so doing, we can better fulfill our outer purpose (to achieve goals and seek to create a better world), while fulfilling our inner purpose and truly changing the world at cause.

Introduction

Tolle started the book by sharing the circumstances and experiences leading to his "enlightenment". Like many others, he had suffered from anxiety and even suicidal depression for many years. Then, when he was 29 years old, he had a personal epiphany which brought him "a state of the most intense joy", and changed the course of his life since.

Tolle only fully understood his transformation years later, and this book acts as a spiritual self-help guide to capture what he has discovered through his experience and years of spiritual study. The book is organized in a Q&A format, addressing common questions about spiritual enlightenment. We have organized some of the key ideas and exercises in this summary into 5 main segments.

Tolle reminds us not to be attached to specific words or images used in the book, as they are simply a means to help awaken the spiritual truth that already lies in all of us. Likewise, we recommend that you focus on the essence beyond the words or images used in our summary, and to focus instead on essence of Tolle's messages.

KEY QUOTES

"True wealth...is the radiant joy of Being and the deep, unshakable peace that comes with it."

"I am not teaching you. You are consciousness, and you are listening to yourself."

"I cannot tell you any spiritual truth that deep within you don't know already. All I can do is remind you of what you have forgotten."

You Are Not Your Mind

One key idea in the book is this–at the core, we are pure consciousness, beings of love, joy and peace. Yet, most of us are struggling and in pain because we have unknowingly "identified with our mind" and a false sense of self.

Enlightenment simply means regaining awareness of our true Being and being deeply connected with Being.

Our Egoic Mind

We use our mind for countless purposes, from learning a language to conceiving a new innovation. The mind also holds perceptions, beliefs, attachments, and as a result, a range of physical and emotional forms.

The mind is a powerful tool, when used properly. The problem is, most of us don't consciously use our mind; instead, we are controlled by our minds:

Incessant mental noise. If you see someone on the street talking incessantly to himself, you would probably consider him crazy. Yet, we talk to ourselves all the time–complaining, comparing, judging, commenting, speculating, voicing likes and dislikes...The only difference is, we do it silently in our minds. Most of us do not have an "off" switch to turn off the incessant mental noise, and our minds keep running, unchecked and uncontrolled.

False sense of identity. Because we are not in conscious control of our mind, most of us aren't even aware of the thoughts, beliefs, and perceptions that are being created in our heads. In fact, we often become so fully identified with the external identity conceived by our mind, that we lose touch with our true inner "Being".

Let's pause for a quick exercise: Take a minute to ask yourself this question: "Who am I and what do I stand for?". Do your answers involve your possessions, job title, social status, education, abilities, relationships, beliefs, religion and even family history?

KEY QUOTES

"All things that truly matter – beauty, love, creativity, joy, inner peace – arise from beyond the mind."

"Being can be felt, but it can never be understood mentally."

"Ego is the unobserved mind that runs our life when you are not present as the witnessing consciousness, the watcher."

"The mind...is a wonderful tool. Dysfunction sets in when you seek your self in it and mistake it for who you are. It then becomes the egoic mind and takes over your life."

Do you realize that most of these things you identify with are merely collective identifications in your mind derived from external sources? They are not you, and they will not follow you beyond your death. Tolle refers to this as our "ego" or our derived sense of self.

Enlightenment: rising above thought

Because the ego is not your true self, it can only exist by drawing on external sources. It feeds on the past (who you think you are, based on past experiences, memories etc.) and the future (who you think you want to be, based on beliefs and perceptions drawn from external influences). So long as you identify with your mind (and the ego-self that it presents), it will remain your biggest obstacle to enlightenment.

In fact, we can become addicted to thinking, because we become so identified with our thoughts, memories, and the associated false sense of self, that we unconsciously fear to stop thinking.

Enlightenment means "rising above thought". In your enlightened state, you'll still use your mind. The difference is, you can lay it aside and quieten your mind when you choose to, i.e. you use your mind, but are not enslaved to it.

Try this exercise: Close your eyes and say to yourself, "I wonder what my next thought is going to be". Then, just wait for the next thought to emerge, like a cat watching a mouse-hole with full alertness. Take a minute to try it now.

You will probably find that you just entered a state of intense presence, when you are free from thought, yet are fully alert.

The Illusion of Time and the Power of Now

Stop the delusion of time

Like your ego, time is a concept created by the human mind, to help us function in the practical world. "Clock time" is useful for tasks like scheduling appointments and running a meeting, as well as to learn from the past and set goals for the future.

However, time is really an illusion. Imagine for a moment if

KEY QUOTES

"Death is a stripping away of all that is not you. The secret of life is to 'die before you die' – and find that there is no death."

"Enlightenment means rising above thought...you still use your thinking mind when needed, but in a much more focused and effective way than before."

"When you are intensely present, you don't need to be concerned with the cessation of thinking... the mind... stops automatically."

"Nothing ever happened in the past; it happened in the Now. Nothing will ever happen in the future; it will happen in the Now."

there are no human beings on this planet –if you were to ask the tree or the bird "what time is it?", your question won't make any sense, because to them, the time at this moment is simply "now".

Indeed, everything that has ever happened or has been created happened in the Now. It is the only moment that we ever truly possess.

- At this moment, the past is only memory traces in your mind. It is over and does not determine who you are now.

- At this moment, the future is just an illusion or an anticipation in your mind. It does not yet exist and does not determine who you are now.

In fact, when you are remembering the past, you are doing it now. Whatever you are creating for the future, you are creating now. So, the most precious moment is Now, because that's the only time you really have, and it is also the only point that can free you from your mind (which we will touch on later).

Unfortunately, your mind can only perceive time in the past and future. Hence, the only way you can understand the power of now is to know and feel it with your Inner Being.

The Power of Now

Most of us are trapped in the illusion of time. We spend the bulk of our energy reminiscing the past, or hoping for a better future. In the process, we are absent in the "Now" - the only real moment that we have. Worse still, we create pain in the present when we unconsciously resist what is, either through judgment and/ or negativity.

All negativity and suffering come from "psychological time" that we create. Feelings of guilt, regret, sadness etc. come when we dwell too much in the past. Feelings of worry, anxiety, stress etc. come when we dwell too much in the future.

We may believe that our past and feelings like fear help to warn us against potential danger. Tolle points out that the physiological state of fear arises from worry or anxiety that something might happen in the future. This "anxiety gap" arises because we are in the now, but our mind is in the future.

KEY QUOTES

"The moment you grasp it, there is a shift in consciousness from mind to Being, from time to presence. Suddenly, everything feels alive, radiates energy, emanates Being."

"If it is the quality of your consciousness at this moment that determines the future, then what is it that determine the quality of your consciousness? Your degree of presence."

"Realize deeply that the present moment is all you ever have. Make the Now the primary focus of your life."

Ask yourself: "What, at this very moment, is lacking?". If you focus on Now - not 5 minutes, 1 year or 10 years from now-you will probably realize that there is no problem, pain nor suffering. You are truly free of problems when you are in the Now.

The key to enlightenment is to stop creating psychological time by dwelling in the pain of the past or the pain of the future. Focus on the Now, and say "yes" to life at the present moment, so it can start working for you.

Accessing the power of Now

Free yourself from the mind

To free yourself of your mind, you need to learn to observe it impartially. Constantly ask yourself "what is going on inside me at this moment?" and "am I at ease at this moment?"

Watch the thinker. The first step is to become aware of the voice in your head – realize that you are not your mind; you're merely an observer of your mind. Listen to your own thoughts, and be especially attentive to any repetitive thought patterns that emerge. When you listen, do it impartially, without judgment or condemnation. When you can observe your thoughts, you will no longer be controlled by them unconsciously.

Watch your emotions. Your emotions are a reflection of what's on your mind. Since we can't observe every single thought, we can use emotions as a tool to bring awareness to our thoughts, including the sub-conscious ones. Watch your emotions without judgement. Do not dwell on the situation, person or event that you perceive to have caused the reaction, as that will only energize the emotion and thought pattern behind it.

When you can allow the emotion to be there without feeling controlled by it, you'll no longer be the emotion. You'll merely be the observer of the emotion.

Dissolve the pain-body. Our past experiences (including our experiences as a child or even past lives) can leave behind residues of pain, like an accumulated "negative energy field". This "pain-body" carries all the stories, baggage and external identities that our egoic mind creates.

KEY QUOTES

"In the Now, in the absence of time, all your problems dissolve. Suffering needs time; it cannot survive in the Now."

"Be at least as interested in what goes on inside you as what happens outside. If you get the inside right, the outside will fall into place."

"Make it a habit to ask yourself: What's going on inside of me at this moment... Don't analyze, just watch."

"When you listen to a thought, you are aware not only of the thought but also of yourself as the witness of the thought. A new dimension of consciousness has come in."

"Whenever you are able to observe your mind, you are no longer trapped in it."

Similar to your thoughts and emotions, you can watch your "pain-body" when it awakens or emerges, taking the form of anger, irritation, depression etc. So long as you unconsciously fear facing the pain in your life, you are identifying with your pain-body and sustaining it. When you become present and conscious of your pain-body, you can start to break identification with it; it can no longer draw strength through you.

If you realize that you are not feeling good about something, either

a) Stop doing what you are doing;
b) Speak to the person concerned; or
c) Decide to drop the negativity that you mind has created around the situation, like how you would drop a hot coal.

When you observe that you have negative emotions or reactions, start by accepting it (not judging or condemning it). Realize that the ability to observe your emotions is already a step forward. When you have practiced acceptance of your emotions long enough, you will eventually stop creating them.

Enlightenment: rising above thought

Stop "Creating Time". Learn to withdraw attention from the past and future when it's not needed. After you have used "clock time" to set your goal, taken the necessary action steps with full attention, and handled other practical activities, withdraw attention from them. Do not continue to depend on those goals for fulfillment, happiness or even self-identity. That way, you do not create and build up "psychological time", unconsciously identify with the past, nor compulsively project into the future.

Instead, focus on the Now. Even if your present moment seems unpleasant or undesirable, start by becoming aware of how your mind is labeling your present situation, and accept it as if you had chosen it. Then, take action from there.

Be Present and Act with "Present-Moment Awareness". Learn to direct your focus fully into the present moment, such that you are alert, aware but not thinking. For example, when doing any routine activity (be it walking up the stairs, washing your hands), become intensely conscious of the activity itself, feeling

KEY QUOTES

"Whenever you are able to observe your mind, you are no longer trapped in it."

"Instead of quoting the Buddha, be the Buddha, be 'the awakened one'."

"When consciousness frees itself from its identification with physical and mental forms, it becomes what we may call pure or enlightened consciousness, or presence."

"Without judgement, without resistance to what is, (negative emotions) would not arise."

"There is nothing wrong with setting goals and striving to achieve things. The mistake lies in using it as a substitute for feeling of life, for Being."

"Whatever the present moment contains, accept it as if you had chosen it. Always work with it, not against it. Make it your friend and ally, not your enemy."

and sensing every breath and moment, without thinking about it.

During life-threatening situations (e.g. a fire or accident), we'll react intuitively and incisively. Our minds have no time to create a problem out of the situation, we're forced into the Now, and we respond out of consciousness. That's why we hear stories of people who show amazing capabilities during life-and-death situations–not because of their fear, but because they are acting from "present-moment-awareness".

When you are Being, you will find joy, ease and lightness in what you are doing. This means that, even when you are pursuing external goals, you will no longer depend on them to make you happy or to "save" you. You will no longer pursue them with fear, stress, discontent, or a psychological need. The "how" of what you are doing – acting out of present-moment awareness - is hence more important than the result you want to achieve.

Accept and surrender to what is. If you are genuinely unable to change your present situation, and you can't even remove yourself from the situation, then "surrender" to it by accepting what is. "Surrender" does not mean weakness, giving up or being fatalistic. It simply means that you drop all inner resistance to what is.

If you realize that at this present moment, your life is already perfect, you should be feeling joyous and peaceful, even as you take action to improve your life situation. Or, you may even find that the situation has changed without any effort on your part. In any case, you are free.

Don't wait

If you are waiting for something in your life to happen before you will be happy, bring yourself back to the Now. If you have been waiting for prosperity, stop waiting. True prosperity is feeling grateful for your life now as it is; when you have that state of mind, you are already prosperous now and prosperity will manifest for you in other ways over time.

KEY QUOTES

"Ultimately, this is not about solving your problems. It's about realizing that there are no problems. Only situations – to be dealt with now, or to be left alone and accepted as part of the 'isness' of the present moment."

"As soon as you honor the present moment, all unhappiness and struggle dissolve, and life begins to flow with joy and ease."

"Do not be concerned with the fruit of your action – just give attention to the action itself. The fruit will come of its own accord."

"Surrender is the simple but profound wisdom of yielding to rather than opposing the flow of life."

"Gratitude for the present moment and the fullness of life now is true prosperity."

Find the Life under your life situation.

We sometimes feel overwhelmed by our present life situation. This arises mainly because we are still caught in psychological time of the past and future. We are resisting what happened in the past and/ or what is. We hope that the future will be better, but that, too, takes our focus away from the present. The key here is to stop focusing on our life situation, and to instead focus on our life, now, at this moment. Realize that there are no problems in the Now, only situations that you can deal with or accept.

Contemplation of space and silence

Being is something that cannot be explained with words, nor understood by the mind. It is like how you cannot explain water to a fish–it can only be felt or experienced.

Space and silence are similar in that, they are essentially no-thing. Yet, there can be no sound without silence, and there can be no form without space. When you become aware of silence, space and "nothingness" in your external world, you'd have achieved stillness within, and experienced a shift in consciousness inside you.

So, to develop greater awareness:

- Rather than listen to the sounds around you, pay more attention to the **silence**, becoming aware of the silence between and underneath the words and sounds.

- Rather than pay attention to the things around you, focus on the **space** or "nothingness" in which they exist.

The Inner Body and Self-Healing

Awareness of the Inner Body

As you develop a deep awareness and connection with your InnerBody or your Being, you will realize that you are not isolated in your physical form, but one with the rest of the Universe.

Try these exercises to connect with your Inner Body.

KEY QUOTES

"What could be more futile, more insane, than to create inner resistance to something that already is?"

"Paying attention to outer silence creates inner silence: the mind becomes still."

"Silence without, stillness within. You have entered the Unmanifested."

"Space and silence are two aspects of the same thing, the same no-thing. They are an externalization of inner space and inner silence, which is stillness; the infinitely creative womb of all existence."

"The inner body lies at the threshold between your form identity and your essence identity, your true nature. Never lose touch with it."

- Feel your body from within. Close your eyes and direct your attention into your body. Feel the life in each part of your body, pausing for 15 minutes as you focus on your feet, legs, hands, arms, stomach, chest... If it helps, visualize each part of your body, your cells and organs, becoming luminous as you focus on it. Feel the energy, become aware of it, but don't think about it.

- Use conscious breathing. Follow your breath as it moves in and out of your body, focusing on how it fills and flows through your body.

Initially, you may need to use these exercises above to help you connect with your Inner Body. However, when you can feel your inner body easily as one field of energy, try to let go of the visual images and only focus on the feeling itself. Use meditation to go deeper into your body. Eventually, focus so deeply into that feeling that you merge with the inner energy field and are one with it.

When you feel and know that your inner and outer bodies are as one, you have effectively transcended your body and connected with the Source.

Inhabit your Body and Stay Rooted Within

As a spiritual practice, learn to retain some energy for your internal connections (rather than focus fully on the external world). Stay deeply connected and rooted with your Inner Body.

Stay connected. When you are doing something (e.g. reading, working), do it with your entire body, feeling rooted and connected within. When you are waiting (e.g. in traffic or queues), take the time to go deeper into the Now and your Inner Body.

Think with your whole body. When you need a solution or a creative idea, don't just think with your mind. Think with your whole body, by shifting your attention inward to your inner energy field. Be still for a moment, as if you are listening internally, and allow your responses to come from a deeper, more conscious level.

Listen with your whole body. When listening to others, listen with your entire body and not just your mind. Feel your inner energy field, and through that, the other person's Being. This

KEY QUOTES

"Transformation is through the body, not away from it."

"When you reach a point of absolute stillness, which is nevertheless vibrant with life, you have gone beyond the inner body and beyond chi to the Source itself."

"By going deeply into the body, you have transcended the body."

is how you listen in a "space of no-mind", without constant mind interference.

Self-healing

The more you "inhabit" your body, or bring consciousness into the body, the more your entire body seems to comes alive. Although your outer, physical body will age and fade with time, your inner body doesn't change. When you're present and connected with the timeless Inner Body, you raise your vibrational frequency, improve your natural self-healing capability, slow down the aging process, and strengthen your immune system.

- Fill your body with consciousness and boost your immune system using this self-healing meditation. Lie down and close your eyes, slowly "scanning" your body and focusing (say, for 15 seconds each) on various parts of your body. Feel the energy in each cell. Do this whenever you are unoccupied, especially just before falling asleep or first thing when you wake up in the morning.

- Remove time from illness. Illness needs a past and a future to take root. In the Now, there is no illness, only physical pain, weakness etc. Do not label your physical discomfort as an illness. Instead, surrender fully to the Now, where illness (like other problems) cannot exist.

- Before you enter the body, Forgive. Often, we have not accepted or forgiven certain people, events or conditions in the past, present or even the future. Before you enter your body, check for emotions or "grievance patterns" like resentment, blame, self-pity etc. When you realize that your pain serves no purpose, and are ready to release your resistance to life, and life can truly live through you.

The Inner Body and Self-Healing

So far, everything we've discussed are all ways for you to de-identify with your mind, and discover/ connect with your inner Body, including an intense presence in the Now, stillness, cessation ofthinking, contemplation of space and time, surrendering etc. These are all "portals" into the UnManifested, Source or God. When the portal is open, love comes through into this world.

KEY QUOTES

"You cannot feel someone else's Being except through your own. This is the beginning of the realization of oneness, which is love."

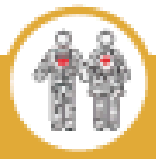
"If the master is not present in the house, all kinds of shady characters will take up residence there. When you inhabit your body, it will be hard for unwanted guests to enter."

"Forgiveness is to offer no resistance to life to allow life to live through you."

"The mind cannot forgive. Only you can...The moment you truly forgive, you have reclaimed your power from the mind."

As you go deeper into your Being and become permanently connected, you become a bridge between the Source and the external world. This is enlightenment.

Enlightened Relationships



Emotions are generally subject to duality, because they are derived from something outside of you. However, there are 3 states-love, joy and peace–which are a part of your inner connectedness. Hence, they have no opposites, and can never be lost.

According to Tolle, true love is not selective nor exclusive, since it is part of our natural Being. However, there may be one person who reflects your love back to you more clearly and intensely (and vice versa) and you are hence in a love relationship.

Duality in "love". Most relationships oscillate between states of being "in-love" and conflict or dissatisfaction. In such cases, the "love" arises from the mind and ego-attachment, and it comes with "clinginess" and a sense of incompleteness. When the ego needs are temporarily met, you feel "in love"; but when your partner no longer meets these needs, your pain-body lashes out. Recognize that true love doesn't cause pain or unhappiness; you are merely experiencing the pain and unhappiness that's already in you.

To move from addictive to enlightened relationships, you'll need to stop judging yourself, then stop judging your partner. When you can accept your partner completely as who he/she is, with no need to judge nor change him/her in any way, then you have transcended your ego self. You can now reflect back to each other the love that you feel deep within. This is true love, one that has no opposite.

Use your relationship as part of your spiritual practice. Similar to how you watch your thoughts and emotions, become an observer of your relationship and your partner's behaviors, doing so without judgment or expectation.

Inner Peace and the Cycle of Life

It is possible to feel deep inner peace regardless of circumstances:

KEY QUOTES

"Love, joy and peace are deep states of Being or rather three aspects of the state of inner connnectedness with Being. As such, they have no opposite."

"Love is a state of Being. Your love is not outside; it is deep within you. You can never lose it, and it cannot leave you."

"Your task is not to search for love but to find a portal through which love can enter."

"You certainly cannot transform your partner or anybody else. All you can do is create a space for transformation to happen, for grace and love to enter."

It is what it is. In many self-help books, we are taught that if we only hold positive thinking and attitudes, we will manifest only positive events and situations. Tolle suggests that, from a higher perspective, there are no positive or negative conditions. Things are simply "as they are"; it is only in our minds that they are labeled "good" or "bad". Obviously, when someone close to us passes away, we'll find it hard to feel happy. However, beyond happiness and unhappiness, we can be at peace. Learn to forgive each moment, and allow it to be as it is, so you do not accumulate new unhappiness to be forgiven in the future. If you can accept the Now while taking action to improve the future, you will enjoy peace underneath your happiness or unhappiness.

Accept impermanence. Nature moves in cycles, such as morning and night, birth and death. Up and down cycles of success are inevitable, and it's not true that the up-cycle is good and the down-cycle is bad. In fact, the down-cycle is essential for spiritual growth, because deep loss or pain are typically what drives us to the spiritual dimension. When you label a condition as "good", your mind becomes attached to it, and you feel a fear of loss or sadness when the cycle ends. Happiness derived from such sources is not lasting nor deep. Instead, when you accept the cyclical nature of life while relishing the present, you'll find true inner peace.

The next time you observe yourself having a negative reaction, imagine that you have become transparent to that external cause of the reaction. Let it go right pass you, and let it "disappear."

Shift in Planetary Consciousness

In our lives, we have our outer purpose (arriving at a goal or destination), and our inner purpose (deepening of our Being). Many of us seek to create a better world, when what we should be doing is to awaken from our own identification with form. Only when there is a mass shift in planetary consciousness can we truly and literally inhabit a new world. We get to salvation and enlightenment by realizing that we are there already there, and by accessing the power of Now.

KEY QUOTES

"Happiness depends on conditions being perceived as positive, inner peace does not."

"Forgiveness of the present is even more important than forgiveness of the past. If you forgive every moment...then there will be no accumulation of resentment that needs to be forgiven at some later time."

"Your happiness and unhappiness are in fact one. Only the illusion of time separates them."

"Only those who have transcended the world can bring about a better world."

So, become aware of your mind-including thoughts, feelings, pain-body-and accept them as part of what is, without analysis nor judgment. When you de-identify with your mind, you can access your true inner Being. When you surrender and accept the Now, you flow with rather than resist life. When there are enough people bringing light and consciousness to the world, it will naturally change – at cause.

In this state, you are more conscious, can see clearly what must be done, and can tackle it one thing at a time, without unnecessarily worrying about the future. You respond from deep consciousness to get more effective results. You bring more love into this world.

If you can find someone who is intensely conscious, being with them and joining them in the state of presence can help you to strengthen your light and increase your consciousness.

Other Details in the Book to Look out For

The ideas in the book may seem simple at first glance, but there are many nuances and insights that can only be gleaned by experiencing the spiritual truths behind the words. Tolle presents them using various angles and perspectives in the Q&A format. Although Tolle isn't identified with any specific religion, he has been influenced by a wide range of spiritual works, and he makes many references to God, Christ, Jesus and Buddha in this book, using these terms interchangeably with words like "presence", "Source", and the "Unmanifested".

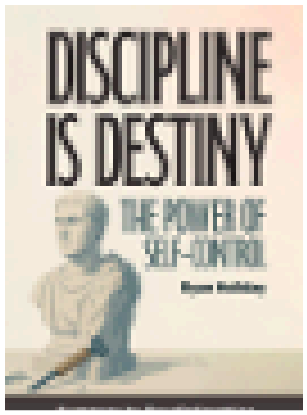
If you resonate with the ideas in the book, we strongly recommend that you read the entire book to personally feel and experience Tolle's message.

KEY QUOTES

"Become an alchemist. Transmute base metal into old, suffering into consciousness, disaster into enlightenment."

"The world is only a reflection... If you accept the image (in the mirror), no matter what it is, if you become friendly toward it, it cannot not become friendly toward you. This is how you change the world."

"Until you are able to experience what I speak of, you may find those passages somewhat repetitive. As you as you do, however, I believe you will realize that they contain a great deal of spiritual power, and the may become for you the most rewarding parts of the book."



DISCIPLINE IS DESTINY

The Power of Self-Control

Ryan Holiday

The Big "So What"

We live in an age of abundance, yet many feel lost and unfulfilled. In this book, Ryan Holiday argues that the path to true freedom and fulfillment lies not in indulgence, but in self-mastery. Drawing on timeless Stoic wisdom and real-world examples, he shows how discipline—of the body, mind, and soul—is the foundation for a meaningful and honorable life.

Introduction: Mastering Yourself with Discipline

Despite modern comforts and freedom, many people feel adrift and overwhelmed. They lack **self-discipline**—the ability to control one's thoughts, desires, and actions—leading to overindulgence, distraction, and dependence.

- Self-discipline isn't about rigid restrictions, but *consistency, balance, and endurance*. It builds strength, freedom, and the ability to shape your own destiny. Holiday uses historical examples to illustrate how discipline can be cultivated in everyday life.
- Stoicism identifies 4 cardinal virtues: courage, justice, wisdom, and temperance. *Discipline is Destiny* centers on *temperance*—knowing when to act, when to hold back, and how to remain steady amid temptation or chaos.

The book is organized into 54 chapters across **3 domains of self-mastery**:

- *The Exterior (physical discipline)*: Mastering our body, physical urges and habits.

KEY QUOTES

"It is through discipline that not only are all things possible, but also that all things are enhanced."

"We must master ourselves unless we'd prefer to be mastered by someone or something else."

"Temperance is not deprivation but command of oneself physically, mentally, spiritually—demanding the best of oneself, even when no one is looking, even when allowed less."

"Discipline...is both predictive and deterministic. It makes it more likely you'll be successful and it ensures, success or failure, that whatever happens, you are great."

- *The Inner Domain (mental-emotional discipline)*: Mastering our temperament, including our thoughts, emotions, and desires.
- The Magisterial (discipline of the soul): Leading with wisdom, humility, and moral strength.

Part 1: Mastering the Body

The body affects the mind. Therefore, self-discipline starts with **physical discipline**. This is about taking care of your body while pushing your limits, recognizing your needs while managing your habits, routines, and basic urges (e.g. food, sleep, exercise).

- Our body serves us for a limited time before it inevitably declines. While we have it, we can choose to master it through discipline, or let it deteriorate through neglect and indulgence. This is exemplified in *Lou Gehrig*, whose remarkable self-discipline made him one of the greatest baseball players of all time.
  - Gehrig played 2,130 consecutive games for the New York Yankees despite fevers, back pain, migraines, and broken fingers. During off-seasons, he continued to train while other players relaxed. An X-ray late in his career revealed at

KEY QUOTES

"Freedom requires discipline. Discipline gives us freedom."

"Discipline is how we free ourselves. It is the key that unlocks the chains. It is how we save ourselves."

"Discipline isn't deprivation... it brings rewards."

"When you love the work, you don't cheat it or the demands it asks of you."

least 17 healed fractures in his hands—none of which he'd ever mentioned.

- He maintained self-control in all aspects, never seeking the spotlight. He eventually removed himself from the lineup when he could no longer perform at the level he demanded of himself, finally ending his historic streak.

Seize Your Mornings

Use the quiet hours of dawn for your most important work. The idea is to carve out uninterrupted time to do what truly matters—focusing, creating, and thinking without distractions.

- Before she became a Pulitzer and Nobel Prize-winning author, Toni Morrison was a single mother with a full-time job as an editor. She woke up before sunrise to write while her mind was clear and uncluttered, before preparing her children for school and heading to work. This discipline enabled her to publish 11 novels, 9 non-fiction works, 5 children's books, 2 plays, and several short stories.

Manage Urges and Excesses

Choose **long-term health, strength and energy** over instant gratification and indulgence. Care for your body, exercise, and reject excesses to improve not just physical health, but also mental resilience and willpower.

- *Babe Ruth* was one of the most gifted baseball players in history. Yet, his undisciplined lifestyle led to weight gain, inconsistent performance, and health issues.

Master Your Habits

Don't be enslaved by your habits, such as alcohol, food, or social media. The real source of suffering isn't the substance or behavior itself, but the need or dependency behind it. Ask yourself: If you hadn't started that habit, would you start now knowing the risks and costs? Then, choose to free yourself from dependency.

KEY QUOTES

"We owe it to ourselves, to our goals, to the game, to keep going. To keep pushing. To stay pure. To be tough. To conquer our bodies before they conquer us."

"Cherish the time. But most of all, use it."

"When you have trouble waking up, when you find it hard...Think of how lucky you are. Be glad to be awake... Feel the joy of being able to do what you love."

"As you're building muscle, you're also building willpower."

"Self-discipline is not a rejection of pleasure but a way to embrace it."

"The body can't be in charge. Neither can the habit. We must be the boss."

- Former U.S. President *Dwight Eisenhower* knew he had to quit his 38-year smoking habit. So, one day, he simply ordered himself to stop smoking totally. He proved that you can take control of a habit—no matter how deeply ingrained—if you decide to do so.

Simplify Your Life

Frugality isn't about deprivation but independence. The less you need, the less you have to defend, and the harder it is for others to manipulate you. **Remove non-essentials** to simplify your life, gain clarity, and focus on what truly matters. Let go of anything that distracts you from your purpose, or adds stress instead of value.

- When *Rubin "Hurricane" Carter* was wrongly imprisoned, he lost his career, possessions, and freedom. Instead of feeling bitter, he devoted himself to learning, reading, and mastering his thoughts. He let go of non-essentials, even sleeping on the floor to remind himself that comfort wasn't a priority. This gave him freedom long before he was released.

Remove Clutter

Physical clutter leads to mental clutter. Keep your environment clean and orderly to remove friction and improve focus/clarity. If your workspace is disorganized, your work, priorities, and even your decisions will reflect that.

- Urban planner *Robert Moses* was known for his ruthless organization and efficiency. He had a meticulously-organized office, and he relentlessly streamlined processes and cut waste.

Show Up Daily

Thomas Edison is often hailed as a genius, yet he attributed his success to a **relentless work ethic**. He lived in his laboratory and never missed a day of work even when he was sick, exhausted, or dealing with personal crises. His breakthroughs came from testing, failing, and refining repeatedly until something worked.

KEY QUOTES

"The only way to stop is to stop...and I stopped."
— Dwight Eisenhower

"The less you desire, the richer you are, the freer you are, the more powerful you are. It's that simple."

"Nothing is cheap if it is superfluous."
—Cato the Elder

"If we want to think well and work well, it doesn't start with the mind. It starts with walking around and cleaning up."

"The space where great work is done is holy. We must respect it."

"Consistency is a superpower....You don't have to always be amazing. You do always have to show up."

- The simple act of showing up daily sets you apart from most people. Don't wait for the perfect moment to start. *Keep doing the work daily*, and the results will come.

Small Details Matter

Tiny mistakes can snowball into huge problems. **Get the details and basics right**, no matter how small. This includes: how you start your day, to how you execute a task or finish a project.

- At the start of each basketball season, renowned coach *John Wooden* reminded his UCLA players how to put on their socks and shoes properly—because a wrinkle in a sock could cause a blister, which could lead to favoring one foot, which could lead to injury and missed games. By sweating the small stuff, his teams went on to win 10 NCAA championships.

Act With Urgency

When it's time to act, **move swiftly and decisively** despite fear or uncertainty. Hustle to move forward consistently when others delay or slow down.

- During the American Civil War, *General George McClellan* had the necessary resources, talent, and manpower, but failed to seize the advantage. His indecision prolonged the war and cost thousands of lives.

Be Deliberate

Intentionality ≠ slowness. Hustling doesn't mean rushing into mistakes. Take time to **prepare methodically**, lay the foundation, then execute with impact.

- At the Battle of Nashville, *General George Thomas* took longer than expected to organize his troops—not because he was slow, but because he was deliberate. When he finally struck, his attack was devastating, crushing the Confederate army in one of the war's greatest victories.

KEY QUOTES

"Details require self-discipline. Even if nobody else notices...or cares."

"We're fit to tackle the big problems only if we do the little things right first. No strategy will succeed—however brilliant—if it ignores logistics."

"Let's push ourselves to be better, to get after it. Hustle because we care. Because we care about the game. Because we care about the cause."

"Hustle isn't always about hurrying. It is about getting things done, properly."

"Do it right and it goes quickly. Try to go too quickly and it won't go right."

Practice Relentlessly

Greatness requires **constant, grueling practice**—but the results are worth it. At critical moments, you default to your level of preparation. The best performers practice tirelessly until their skills become second nature.

- *Miyamoto Musashi*, one of history's greatest swordsmen, lived by the philosophy "Cho tan seki ren"—training from morning to night. He practiced so thoroughly that he could often anticipate his opponents' moves before they did.

Commit To Your Craft

True professionals show up and do the work daily, regardless of their mood. When you find what you are meant to do, **the work itself is the greatest reward**, not the resulting money or status.

- Literary giant *Joyce Carol Oates* published nearly 100 books, short story collections, plays, and poetry anthologies since 1964. Unlike her male peers, who spent time at literary parties, cultivating personas, or lamenting writer's block, Oates simply wrote every single day.

Dress for Your Role

Like it or not, people judge us by appearance. However, you can **balance presentation and authenticity** by presenting yourself in a way that supports your role/identity. Don't obsess over fads or style. Dress to support your work, not for attention.

- *Angela Merkel* knew that appearances mattered in a political career, but she refused to be consumed by it. So, she chose a simple but professional outfit—comfortable shoes, a boxy haircut, and minimal makeup. When asked why she always wore the same pantsuit, she said: "I am a civil servant, not a model."

KEY QUOTES

"We don't rise to the occasion, we fall to the level of our training."

"A thousand days of training to develop. Ten thousand days to polish."
— Miyamoto Musashi

"We don't get anywhere in this life without work. But we can get somewhere magical when we do the kind of work that doesn't even feel like work."

"If you feel that you just can't write, or you're too tired, or this, that, and the other, just stop thinking about it and go and work."
— Joyce Carol Oates

"One ought to use clothing and shoes in exactly the same way as armor, that is for the protection of the body and not for display."
—Musonius Rufus

"We wear the suit, the suit doesn't wear us."

Get Uncomfortable

Modern comforts make us soft. The more we have, the more we fear losing it. To stay strong, **seek small hardships**, like sleeping on the ground, taking cold showers, or performing manual labor. Realize that such discomforts are nothing to fear or avoid. Build resilience so you won't crumble when real adversity strikes.

- Philosopher *Seneca* was one of the richest men in Rome, yet he regularly lived like a pauper—wearing rough clothing, eating the simplest food, and sleeping on the ground for days at a time. By voluntarily embracing discomfort, he stripped it of its power over him.

Recover Strategically

Discipline isn't just about pushing harder—it's also about **knowing when to stop**. Pushing too hard in the short term can lead to burnout and injury, which are more costly in the long run. Use strategic recovery not just to rest, but also to relax and have fun.

- Legendary coach *Gregg Popovich* knew this when he rested 4 of his star players during a major game in 2012. This decision led to a backlash from fans, critics, and even the NBA. But Popovich was playing the long game. By prioritizing recovery, he extended his players' careers and led the Spurs to 2 more division titles and an NBA championship.

Get Proper Sleep

A lack of sleep leads to poor focus, bad decisions, and wasted effort, hurting every area of your life. To operate optimally, you need both **quantity and quality of sleep**.

- Heavyweight boxing champion *Floyd Patterson* slept for 11.5 hours before his 1956 title fight against Archie Moore. He napped for 3 hours before the weigh-in, and again in the dressing room before the fight. He entered the ring fully recovered and focused, knocking out a tired Moore in the 5th round.

KEY QUOTES

"Success breeds softness. It also breeds fear: We become addicted to our creature comforts. And then we become afraid of losing them."

"We must practice temperance now, in times of plenty, because none of us know what the future holds—only that plenty never lasts."

"We don't just want to be fast and strong now—we want to be fast and strong for a long time."

"The most surefire way to make yourself more fragile, to cut your career short, is to be undisciplined about rest and recovery, to push yourself too hard, too fast."

"The best way to master the morning is to have mastered it the night before."

"The higher the stakes, the more driven you are, the more stressful the situation, the more discipline sleep requires."

Endure and Prevail

No matter how talented you are, life will test you. Success depends not just on what you can achieve, but what you can endure. What can you withstand when everything is stacked against you? Those who **persist through adversity** come out stronger.

- In 1915, *Ernest Shackleton's* ship sank in the Antarctic. The crew traveled 350 miles in lifeboats, only to be stranded on Elephant Island. Refusing to accept defeat, Shackleton led a 700-mile journey through hurricane-force winds in a tiny boat to find help, then returned to rescue the rest of his men. After 4 months and multiple failed attempts, he finally brought every man home alive.

Part 2: Mastering Your Temperament

True greatness requires mastery of our inner self, including control of our thoughts, feelings, and impulses. Physical discipline paves the way for **mental-emotional discipline**: to remain steady under pressure, resist temptations, and focus on long-term goals that matter.

- This is exemplified by *Queen Elizabeth II*, whose reign was defined by poise, self-restraint, and unwavering service. As Queen, she had no power to change laws or influence policies, yet she devoted her life to her duties: "I cannot lead you into battle, I do not give you laws or administer justice, but I can do something else—I can give you my heart and my devotion." Over 70 years, she visited >120 nations, met >4mil people and delivered >100,000 speeches. She endured wars, scandals, shifting public opinion, and personal losses—yet never lost control of her emotions, words, or sense of duty.

Adopt Calm Rationality

How you look at situations shapes who you become. In face of frustrations, slights, or difficulties, don't react impulsively. Learn

KEY QUOTES

"What we really need is commitment...a willingness to put our body where the problem is, throwing ourselves completely into solving it."

"Does endurance always conquer? Of course not, but nobody wins by throwing in the towel."

"Discipline is a far rarer commodity at the top than brilliance. Temperament may be less charismatic, but it survives. It stabilizes."

"Greatness is not just what one does, but also what one refuses to do...it's what we're able to do within limitations—creatively, consciously, calmly."

"We know that between every stimulus and its response, every piece of information and our decision, there is space... The pause is everything."

to pause, step back, and assess the situation with a calm, rational mind. **Filter your response through reason** before you act.

- *George Washington* felt emotions like any human being, but he trained himself to stay composed and respond with grace—whether facing a near-mutiny among his officers or enduring slander from subordinates. This habit made him a leader of rare steadiness and integrity.

Protect Your Priorities

Your time, energy, and attention are finite. Whenever you say "yes" to something, you're saying "no" to something else. Know your core purpose and guard it fiercely. **Have the courage to say "no"** to all else. People may not like it, but you'll be too busy doing what matters to notice.

- *Booker T. Washington* was able to run a school, write books, lobby lawmakers, and speak around the country because he regularly rejected other requests. He didn't mind being called aloof or selfish since he was laser-focused on his mission to uplift the Black community.

Give Your Full Focus

Give your priorities time and **undivided attention**. Immerse yourself so fully in your work that you shut out everything else, including distractions, praises and criticisms.

- *Ludwig van Beethoven* was known to abandon something in mid-task to follow an idea when inspiration struck. When he was deep in work, he seemed to be in a trance, oblivious to the world. He was messy, forgetful, and eccentric—because his mind was consumed by something greater.

Let It Ripen

In a fast-paced world, we often chase shortcuts and instant results. Yet, **some things cannot be rushed**, e.g. mastery, trust, and wisdom take time to develop, like fruit ripening on the vines. Have the discipline and patience to wait, instead of forcing progress.

KEY QUOTES

"Slow is the higher self...We pause. We gather ourselves. We put it up to the light."

"No one can achieve their main thing without the discipline to make it the main thing."

"It is impossible to be committed to anything—professionally or personally—without the discipline to say no to all those other superfluous things."

"In a world of distraction, focusing is a superpower."

"If it's worth doing, it's worth concentrating on today. It's worth focusing on now."

"Patience is bitter, but its fruit is sweet."
—Aristotle

- Famous writer Joyce Carol Oates doesn't rush her work. After finishing a first draft, she lets it sit for months—sometimes years—before revisiting it. This gives her time to gain perspective, refine her ideas, and let her work mature.

Stop Perfectionism

Excellence is a virtue, but perfectionism is a trap. It stems from fear and paralysis, not discipline or high standards. **Done is better than perfect**. Don't let fear of falling short hold you back from sharing your gifts.

- Before *Steve Jobs* was ousted from Apple, he kept delaying the release of the Macintosh because it wasn't "perfect." *Ralph Ellison* never published a second novel after Invisible Man—he spent decades rewriting and revising, leaving behind only stacks of unfinished pages.

Do The Hard Stuff First

Instead of procrastinating on uncomfortable tasks, confront them head-on. **Tackle the toughest tasks early** in the day when your energy and willpower are strongest, like how Toni Morrison got her writing done at dawn before anything else. The sooner you get them out of the way, the more confidence and clarity you gain.

Get Up When You Fall

Everyone gets knocked down. The question is: Will you get back up? Defeat isn't final unless you let it be. What defines you isn't the fall, but how you respond. Face the pain, own your mistakes, **rise up and get back to work**.

- In 1959, *Floyd Patterson* lost his heavyweight title to Ingemar Johansson in a brutal defeat. Patterson was devastated. But after encouragement from former rival Archie Moore, he forced himself to review the loss, retrain, and refocus. A year later, he won the rematch, becoming the first heavyweight in history to reclaim the title.

KEY QUOTES

"When your instinct is to go, when you really want to get after it, waiting...is the hardest part."

"We tell ourselves it's self-discipline when in fact, it's self-consciousness."

"It doesn't matter the cause, whether it was from procrastination or perfectionism, the result is the same. You didn't do it."

"Don't wait. Don't tell yourself you'll warm up to it. Don't tell yourself you'll get this other stuff out of the way...Do it now."

"Losing is not always up to us... but being a loser is. Being a quitter is."

"If your standards are so high that you give up when you fall short of them, then actually you don't have high standards. What you have are excuses."

Confront the Pain

Everyone experiences physical, emotional, or spiritual pain. Don't rely on quick fixes (like drugs or escapism) to numb the discomfort. Instead, acknowledge the pain and **address the root cause**.

- *John F. Kennedy* lived with constant pain from a degenerative back injury, Addison's disease, and years of trauma. For a long time, he relied on painkillers, amphetamines, and stimulants to no avail. Finally, a responsible doctor convinced Kennedy to exercise, stretch, and train his body—a lifestyle change that finally eased the pain.

Avoid the Pleasure Trap

Temperance is the ability to **enjoy life's pleasures without being controlled by them**. Reckless indulgence leaves us feeling miserable, not satisfied. Consider long-term effects over instant gratification, and moderate your pleasures to truly enjoy them.

- *King George IV* was a glutton who became so obese that he couldn't even lie down without risking suffocation, unlike *Epicurus* who could find joy in simple things like a small pot of cheese. Let your mind rule the body, not vice versa.

Rise Above the Fray

When someone insults, provokes, or disrespects you, the instinct might be to retaliate. This only gives them power over you and may backfire in the long run. **Refuse the bait** and refocus on your real mission. Choose not to engage or descend to their level, and save your energy for what truly matters.

- When Jewish businessman *William Thalhimer* was insulted and bullied during a land negotiation in the segregated South, he simply endured the humiliation and focused on his goal—to close the deal. So what if he suffered some indignation? As he said, "I got the land."

KEY QUOTES

"We endure pain, but we also have to address the root causes of it."

"'Doing the work' must actually mean thinking about things holistically. It must mean getting to the root causes. It should mean solving for the injury, not the symptoms."

"Don't just think about what a certain pleasure will give, think about what it will take out of you."

"Nobody who has given themselves over to excess is having a good time. No one enslaved to their appetites is free."

"As wrong as they are, as annoying as it is, it takes two for a real conflict to happen."

"Someone else's lack of self-control is not a justification for abandoning our own. Nor is it a good look or a recipe for success and achievement."

Manage Your Impulses

Uncontrolled emotions (be it anger, lust, anxiety, or excitement) can cloud judgment, leading to poor decisions and regret.

- History is full of people who were undone by impulsive moments—an angry letter, a sex scandal, or a rash move. The greater your power and responsibilities, the more destructive such outbursts can be. Always pause, manage your impulses, and *consider the consequences* before acting.

Make Every Word Count

In a noisy, ego-driven world, too many people rush to share their opinions. Often, **silence and actions speak louder than words**. Know when to speak, how much to say, and when to stay silent. You don't have to fill every silence or share every thought. The more powerful or respected you become, the more your restraint matters.

- The *Spartans* were known for their brevity and self-mastery. Once, a Spartan stayed silent in face of an insult. When the opponent challenged, "Are you stupid?" he calmly replied, "Well, certainly a stupid person wouldn't be able to keep quiet." Fewer words, more power.

Hold for the Right Timing

When you only have 1 shot at a big move, it pays to **wait for the right moment**, even if you're under pressure to act.

- In 1940, *Winston Churchill* faced intense pressure to send Britain's remaining fighter planes to aid France against Germany. He held back and kept the planes for a critical Battle of Britain which saved the nation. In 1942 and 1943, Churchill again faced pressure to attack the Nazis in Europe, but he waited until D-Day in June 1944—when victory was finally possible with an alignment of timing, planning, and strength.

KEY QUOTES

"Nearly every regret, every mistake, every embarrassing moment...have one thing in common: Somebody lost control of their emotions. Somebody got carried away."

"You can get angry...the important thing is not to do anything out of anger."

"When you talk, it should matter. When you say something, it should mean something."

"Powerful people impress and intimidate by saying less."
— Robert Greene

"Free speech is a right, not an obligation."

"Sometimes we have to raise our hand, not to give the signal to go ahead, but to wait, wait, wait for it."

"You've decided to act. Now you've got the harder hurdle to clear: holding on."

Master Your Ambition

Ambition can inspire growth and excellence. But left unchecked, it becomes an **obsessive pursuit of more**—more status, more achievement, more power. That's when it stops serving you and starts consuming you, leaving you empty, alone, and unhappy.

- Unlike other bad habits, society rewards ambition, making it harder to control. French emperor *Napoleon Bonaparte* hoarded titles, placed unqualified relatives on thrones, waged ruinous wars, and eventually died alone in exile.

Money Is a Tool, Not Your Master

Money isn't good or bad. It's a powerful tool that can bring comfort, options, and leverage, but also envy, anxiety, and dependency. Use money as a tool to **support your goals and values**, not to prove your worth or escape discomfort. Having "enough" simply means having the option to decline what doesn't matter. True wealth is freedom from need, not freedom to indulge.

- It's not about how much you earn, but *how you handle what you have*. Babe Ruth, for example, earned more than most people of his time. Yet, he spent recklessly on racehorses, suits, parties, and luxury, and had to borrow money from teammates to get by until his next paycheck.

Keep Improving Daily

No matter how far you've come, there's always room to grow. You don't have to be amazing every day. You just need to show up, learn from mistakes, and **do a little better than yesterday**. Small gains compound into greatness over time.

- *Tom Brady*, the most decorated quarterback in NFL history, was obsessed with improving. He was always refining his fourth-quarter accuracy, quickening his release time, and chasing that next edge—even at his peak.

KEY QUOTES

"Ambition is good, it just must be tempered."

"Of all the addictions in the world, the most intoxicating and the hardest to control is ambition."

"No amount of money is ever going to truly free you. But being less dependent, caring less about money? That will free you right now."

"The problem is when people spend what they don't have, to get things they don't need, at a price nowhere near worth the cost."

"Nobody is as good as they could be. Nobody is perfect. Everybody can improve."

"It's a beautiful irony: You're never content with your progress and yet, you're always content...because you're making progress."

Share the Burden

Don't try to do everything yourself—you'll lose focus, burn out, and weaken the cause. Just because you can do something doesn't mean you should. **Focus on what only you can do**, then automate or delegate the rest.

- When *Martin Luther King Jr.* was in jail, his wife Coretta was juggling everything alone—children, cooking, answering the door—because hiring help seemed indulgent. Their close friend and supporter, Harry Belafonte, made the strategic decision to personally pay for their household staff, giving the Kings time, energy, and space to do what they do best: lead the civil rights movement.

Use Your Time Wisely

Time is a your most limited, valuable resource. Once lost, it can't be recovered. We all get the same 24 hours—**use your time intentionally**. Wasted time is wasted life.

- When *Phil Jackson* was a rookie on the Knicks, he was caught chatting on the bench with no idea how much time was left on the shot clock. His coach reprimanded: "You may be going into the game, and if you don't know the time, you could get us in trouble." In the game of life, make sure you know the clock.

Protect Your Boundaries

We get pulled in multiple directions by distractions and others' emotional demands. Set clear boundaries to **protect your energy, focus and identity**. Define what you will and won't share, accept, or take on. This helps you say "yes" and "no" with intention. Respect others' boundaries and stay away from energy vampires who drain energy with their drama and neediness.

- Despite *Queen Elizabeth II*'s decades in public service, almost no one—not even her closest aides—could say what the Queen was *really* like. She gave no personal interviews, stayed out of politics, and rarely offered unsolicited advice, even to family. This is what having clear boundaries means.

KEY QUOTES

"Often, the best way to manage the load is to share the load."

"While a leader must know how to do anything, they cannot conceivably do everything."

"No one can take time or life for granted...as it runs out for all of us."

"Now is the time. Because now is the only time you have."

"Time that is wasted is also wasting us. When we kill time, we are killing ourselves."

"Boundaries are about drawing some lines around yourself—healthy borders between what you'll share and what you won't, what you'll accept and what you won't, how you treat others and how you expect to be treated, what is your responsibility and what isn't."

"Be the adult in a world of emotional children."

Always Do Your Best

While you can't always control the outcome, **you can always control your effort**. Do your absolute best at the things that matter, even when it's hard or no one's watching. If you've given your all, you can be at peace with the outcome. This builds resilience and self-respect, protecting you from arrogance in victory and despair in defeat.

- When *Jimmy Carter* was interviewing for a role in the Navy's elite nuclear program, he was asked "Did you do your best?" Thinking back on the times he held back or didn't push himself, he admitted, "No, sir." The next question—"Why not?"—haunted him for years and brought discipline to the rest of his life.

Part 3: Mastering Your Soul

The highest level of self-mastery comes from **discipline of the soul**. It's about mastering the body and mind (the "Magisterial") in all circumstances, and transcending the self to serve others with wisdom and humility.

- True greatness isn't about rising to the top—it's about how you act once you get there. Will you stay grounded and use *power for the greater good*? Or will you give in to ego and self-glorification?

- *Antoninus Pius* modeled this higher standard. When he was tasked to prepare Marcus Aurelius for rule, he could have seized power for personal glory. Instead, over 23 years, he governed with restraint and devotion, waging no wars and spilling no blood. He became a strong role-model for Marcus, shaping one of the greatest emperors in history.

Be Tough on Yourself, Gentle with Others

Hold yourself to high standards, but don't impose them on others. Do what you believe is right, and lead by example with compassion and humility. Take ownership of your life without trying to control others. Let others walk their own path, at their own pace.

KEY QUOTES

"You always control whether you give your best or not. No one can stop you from that."

"What does matter is that you gave everything...Not perfect. Your best. Leave the rest to the scoreboard, to the judges, to the gods, to fate, to the critics."

"Your body, your mind, your spirit will have to align so that you might discover that you are capable of more than you thought possible."

"It takes courage as well as temperance to be restrained in a world of excess...to remain oneself in a world that pushes for conformity."

"Search others for their virtues, thyself for thy vices."
—Benjamin Franklin

- *Cato the Younger* was famously self-disciplined: he walked barefoot, wore simple clothes, and never lied. But he didn't expect others to live the same way, and unconditionally loved his brother Caepio who was more indulgent and worldly.

Lift Others By Showing The Way

Everyone has role models who made them want to be better. Strive to be that person for someone else. Uplift others not by judging or preaching but through your actions. When you act with integrity, patience, discipline, and perseverance, you inspire change and plant seeds of possibility that take root and spread over time.

- *Queen Elizabeth II* was deeply influenced by her father, King George VI, who led Britain through World War Two, worked through his own speech impediment, and parented by example. *Cato the Younger* was similarly inspired by his great-grandfather's legacy, even though they never met.

Stay Cool Under Fire

The real test of inner discipline comes during times of **stress, danger, or betrayal**. Will you stay calm and do what needs to be done? Or will you give in to emotional impulse to retaliate, escape, or collapse? During a crisis, your response directly affects the outcome and set an example for those who look up to you.

- After the 7/7 London bombings, *Queen Elizabeth II* urged the public to face the tragedy with "calm determination." She role-modeled that by avoiding inflammatory language and focusing on continuity. This prevented further instability from fear and outrage, which would've been exactly what the terrorists wanted.

Bear the Weight for Others

True leaders don't seek comfort or privilege. They push themselves harder, often sacrificing for the greater good. In tough times, they step forward, take the hit, and **help others to move forward**. They carry more than their share not because they must, but because they can.

KEY QUOTES

"While we hold ourselves to the highest standards—and hope that our good behavior is contagious—we cannot expect everyone else to be like us."

"Great leaders...make people better. They help them become what they are."

"We can plant a seed... Because like courage, there is something contagious about discipline."

"The light within us can illuminate the path for others. What we accomplish can make things possible for others."

"The nearer a man is to a calm mind, the closer he is to strength."
— Marcus Aurelius

"For the people we love, we are strong enough to get through anything. For the cause or the calling we have committed to, we are strong enough to endure it."

"The more you have, the more selfless you must be. Not for the sake of optics, but because it is the right thing to do. Because that's what you signed up for when you took the responsibility."

- On Christmas Day in 1998, *Brigadier General Jim Mattis* chose to take over guard duty for a junior guard so the latter could spend time with his family, role-modeling what it means to serve.

Adopt Self-Discipline, Not Self-Cruelty

Everyone makes mistakes. What matters is whether you learn, adjust, and keep going. Be strict and accountable with yourself, but not cruel or self-punishing. Treat yourself with the **same compassion you'd offer a friend**. Aim for progress, not perfection.

Don't Hoard Power

After working hard to gain power or status, many people cling to it. Great leaders **know when to let go**. They use power to serve, then release it, putting purpose above ego and trusting others to carry the mission forward.

- After the American Revolution, *George Washington* could have ruled like a monarch. Instead, he voluntarily stepped down—first after the war, then again after 2 presidential terms. His decision set a lasting precedent and helped shape the norms of American democracy.

Answer With Dignity

When someone wrongs you, the instinct is to lash out. But real strength comes from **choosing not to retaliate** when you could. You can choose to respond with restraint, to defuse conflict, protect your peace, and uphold your values.

- When *Martin Luther King Jr.* was giving a speech in 1962, he was suddenly attacked by a white man. King didn't fight back. He literally turned the other cheek, stopped others from retaliating, and calmly spoke to his attacker afterward, demonstrating self-mastery and nonviolence.

KEY QUOTES

"Don't beat yourself up. Build yourself up. Make yourself better."

"Greatness isn't what you have. It's who you choose to become. Or who you choose to remain."

"Willingly giving away [power]...is the rarest thing in the world. It is temperance embodied."

"It might be possible to punch a person who is that compassionate, but it is impossible to beat them."

Exit With Grace

Sometimes it's best to push forward, while at other times it's **wiser to retreat**—whether it's stepping down, accepting a loss, or closing a chapter of life. Don't cling on stubbornly nor charge ahead blindly. Know when and how to move on with poise and self-respect.

- At the Battle of Delium, *Socrates* retreated without panic. He fought steadily while falling back, refusing to abandon his dignity or his comrades.

Endure What You Must

In times of great loss, pain, grief, or injustice, **tap into your inner strength**. Endure when others collapse. Carry on with quiet, steady perseverance, no matter how badly it hurts, and emerge stronger.

- In 1802, *Beethoven* hit a breaking point—his health was failing, his hearing was deteriorating, and he was emotionally wrecked. He felt "hopelessly afflicted" and considered suicide. But instead of giving in, he chose to endure. He anchored himself in his art and left behind some of the greatest music ever created.

Be Your Best Self

Being the best isn't about outdoing others, but conquering yourself. It means choosing excellence regardless of your title or external rewards, performing every task with character and self-mastery. **Be at your best in everything you do**.

- Theban general *Epaminondas* once accepted the humiliating job of managing the city sewers. But he performed the role so honorably that he elevated the office itself, showing that you can bring pride and dignity to any role.

KEY QUOTES

"Retreats...are only temporary. They are buying us time until we can take the offensive and courageously attack again in pursuit of our victory."

"Sometimes even to live is an act of courage."
— Seneca

"Don't despair. Don't give up. Keep the faith. Because one day, you will look back from the other side of this struggle...and be glad you did."

"The battle to be the best has less to do with beating others and more to do with beating down those urges, those flaws, those selfish instincts that every human has."

"In the end, it's not about what we do, it's about how we do it and, by extension, who we are."

Be Disciplined, Not Rigid

Don't cling to identities, tools, or routines that no longer serve you. Without **fluid growth and adaptation**, your identity hardens, making you brittle and vulnerable to change.

- Samurai *Miyamoto Musashi* won many duels by catching opponents off-guard—using unorthodox weapons, showing up late, or acting unpredictably. As he aged, he continued to learn and adapt his style, striving to achieve "formlessness." Stay open, keep experimenting, and keep stepping outside your comfort zone.

Stay Grounded

The **higher you rise, the more discipline you need** to resist comfort, power, and temptation. When rules feel optional and people start making excuses for you, don't relax your standards or forget who you are.

- After becoming Chancellor of Germany, *Angela Merkel* continued living in her modest apartment, paying for her own concert tickets, and shopping for groceries like anyone else. *Cato the Elder* kept his austere lifestyle even after reaching the highest ranks of power. Let success make you better—not softer, more entitled, or less disciplined.

Conclusion and Other Details in the Book

Discipline is not a single trait but a lifelong practice that spans the body, mind, and soul. When we cultivate self-control in every area of life, we unlock our full potential and become truly capable of shaping our own destiny. This book includes many other detailed stories and examples of historical and modern figures who either exemplified discipline—or suffered from its absence. For more details, visit https://ryanholiday.net.

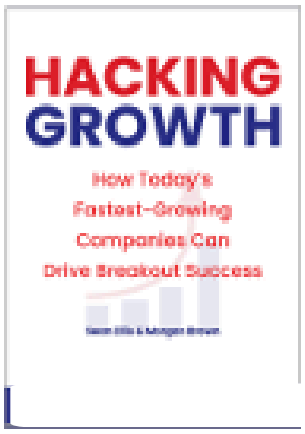
KEY QUOTES

"We must cultivate the capacity for change, for flexibility and adaptability. Continuously, constantly."

"Rigidity is fragility. Formlessness is unbreakable."

"You will show that success has not changed you. Except that it has made you better."

"Temperance is... the ability to adjust, to make good of any situation, to find the opportunity to grow and improve in any situation. And to be able to do this with equanimity and poise, even initiative and joy."



HACKING GROWTH

How Today's Fasting Growing Companies Can Drive Breakout Success

SEAN ELLIS & MORGAN BROWN

The Big "So What"

How can you acquire new customers, keep them engaged, convert them to paying customers/ambassadors, and leverage technology to grow your revenue with a shoestring budget? This book presents the growth hacking method: using rigorous analyses and rapid tests to identify, test and implement high-impact growth opportunities. It can be used by any company (big or small) and for any function (e.g. marketing or engineering).

Introduction

In the 2000s, Sean Ellis started testing unconventional approaches to help various companies to grow rapidly given a limited budget and tough competition. These techniques and processes were gradually expanded and refined to become the growth hacking model presented in this book.

- For example, Dropbox grew from 100,000 to 4 million users in 14 months without any traditional marketing. Instead, it offered 250MB of free storage to each user who referred a friend to try Dropbox. Airbnb struggled until it cross-published with Craigslist to redirect searches for short-term vacation rentals to the Airbnb booking website.

- Growth hacking provides a rigorous method for rapid, cross-functional experimentation. Today, many leading firms—such as LinkedIn, Facebook, Quora, Tesla, Adobe and Airbnb—all use growth hacking as a key engine of growth instead of relying on costly advertising campaigns.

KEY QUOTES

"Growth hacking is so much more than a business strategy, or even an ongoing process. It's a philosophy, a way of thinking, and it's one that can be adopted in any team or company, big or small."

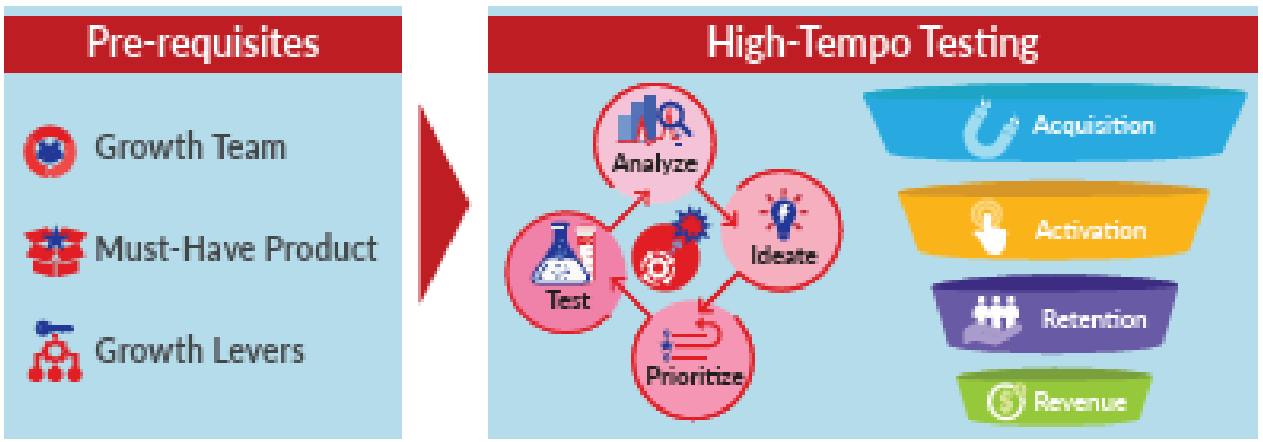
"Growth hacking isn't just about how to get new customers. It's about how to engage, activate, and win them over so they keep coming back for more."

"Growth hacking empowers companies to achieve breakout growth without pouring money into outdated and horribly expensive marketing campaigns of questionable business value."

In this summary, we'll explain growth hacking in 2 parts: an overview of growth hacking followed by a playbook for execution.

Part 1: An Overview of Growth Hacking

Here's an overview of the key components involved in growth hacking:



The Pre-Requisites

There're 3 pre-requisites that must be in place before you're ready to drive growth via high-tempo testing.

A growth team optimizes results by bridging the silos found in most organizations. Growth teams complement rather than replace traditional functions, and can range from 4-5 people to more than 100.

- The key is to have *cross-functional expertise* including business strategy/goals, marketing, data analysis and product development. Key roles include:

  (i) A *growth lead* who sets defines the experiments' goals, pace and metrics;

  (ii) A *product manager* who oversees the delivery of the desired product features;

  (iii) *Software engineers* who write the code for the required tests and product changes;

  (iv) *Marketing specialists* with the relevant expertise (e.g. social media, email marketing);

KEY QUOTES

"Start-ups and established companies alike...simply can't afford to be slowed down by organizational silos."

"Growth cannot be a side project."

(v) *Data analysts* who can collect, integrate and analyze data from multiple sources; and

(vi) *Product designers* who specialize in the relevant products.

- In startups and SMEs, team members often wear multiple hats. As the company grows, the growth team's size and composition will *evolve*. For example, LinkedIn's growth team grew from 15 people to more than 120 members spread over 5 units focusing on network growth, search engine optimization/marketing, onboarding, international growth, and user engagement.

- You can bring in external specialists to strengthen key capabilities, but the *responsibility for growth* must always rest with the top management, e.g. the founder/CEO or a senior executive. Typically, the reporting structure will follow (i) a *product-led model* where the team focuses on improving specific aspect(s) of a product's performance, or (ii) a *stand-alone* team reporting to a VP of Growth.

Don't start rapid growth experimentation until you have a must-have product, i.e. you know its *core value*, to *whom* it's a must-have, and *why*. Pushing for growth prematurely can be costly or even fatal since (i) you'll waste resources promoting something that no one wants and (ii) you'll end up generating critics instead of fans.

- Every wildly-successful product has an "*aha moment*": when a user experiences the core value or benefit of the product, finds it irresistible and becomes a fan. Yelp's aha moment is when users discover local restaurants or businesses via trusted community reviews. Facebook's moment is when users see instant updates and photos that show what their friends/family are doing.

- To assess if you have an aha experience, use these *2 tests*:

(i) The *must-have survey*. Ask users "How disappointed would you be if this product no longer existed tomorrow?", with responses on a 4-point scale (very disappointed, not disappointed, and N/A—I no longer user it). The goal is to have ≥40% users respond with "very disappointed".

KEY QUOTES

"It's vital not to outsource the core responsibility for growth…growth is too important to delegate."

"While creating a must-have product alone is not sufficient for breakout success, it is the baseline requirement for rapid and sustainable growth."

(ii) Whether your *retention rate* is higher than your competitors and stable over time.

- If your product passes both tests, it's ready for growth hacking. If not, you must first *address the gap(s)* using all 3 methods below:

  (i) Do additional customer *surveys/interviews* and/or observe how customers use your product.

  (ii) Run *efficient experiments* (minimum viable tests) for product/message changes across the entire funnel, such as A/B tests to compare 2 options or multivariate tests to compare all possible combinations of a component.

  (iii) Do a *deep analysis* of your user data. Consider creating a data warehouse to store all customer info, so you can identify the complete path for each group of users, exactly how an active user spends time on your website (compared with someone who doesn't), and when/why someone leaves the funnel.

- Be open to *unexpected discoveries* which may lead to a shift or pivot in your business focus. Instagram (originally called Burbn) dropped its confusing host of features after analyses showed that users only used 1 feature—photos. YouTube (originally a video dating site) made a pivot after analyses showed that users were uploading all types of videos, not just those for dating.

Once you know your aha moment, your goal is to get as many users to experience it as quickly as possible. However, you won't create a big-enough impact by testing lots of small changes (e.g. different button colors). You need to focus on high-impact, high-potential tests, i.e. you must identify the right growth levers and have a proper growth strategy.

- Start by figuring out your *growth equation*, which summarizes the key factors that drive your growth. Such equations will vary for different products/businesses, e.g. :

  (i) A news site with a subscription model: Subscriber revenue growth = Website traffic × Email conversion rate × Active user rate × Conversion to paid subscriber + Retained subscribers + Resurrected subscribers.

KEY QUOTES

"The key mission at this stage is to look for the behaviors that differentiate those customers who find your product must-have—that is, those who use or buy repeatedly—from those who don't."

"Growth hacking is not about throwing ideas against the wall as fast as you can to see what sticks, it's about applying rapid experimentation to find and then optimize the most promising areas of opportunity."

"Reducing the complexity of your business operations down to a basic formula is immensely helpful in allowing the growth team to focus on the right signals in this vast sea of data noise."

(ii) An ecommerce site: Gross merchandise volume growth = Number of sellers listing items × Number of listed items × Number of buyers × Number of successful transactions.

- Essential metrics are those that correlate most directly with your aha moment. Narrow down to 1 key metric that'll ultimately drive your growth—this is your "*North Star*" or the metric that best captures the core value for customers. eBay's North Star is the number of items listed for sale, while LinkedIn's is the number of people who have filled in their work profiles.

  (i) North Stars help to *direct your focus*. To improve the number of nights booked (Airbnb's North Star), the team zoomed in on New York City as an under performing market. They found that the quality of photos there were poorer than usual, and a test proved that postings with better photos got 2-3x more bookings. This led to initiatives to help hosts to improve their photo quality, improving global booking rates by 2.5x.

  (ii) North Stars may *evolve* as your company grows. A company can have 1 North Star yet have various growth teams focusing on different metrics, like how LinkedIn focuses on 5 areas of growth despite having 1 overarching North Star.

- *To make the most of your data and analysis*:

  (i) Use a mix of *quantitative analysis and qualitative probing* to figure out why certain trends or gaps exist.

  (ii) Make the North Star and key data/metrics *accessible* to the whole company. Use charts, visuals and ratios to present the key metrics at a glance, and show how you're performing relative to specific goals or benchmarks.

High Tempo Testing

Once the pre-requisites are in place, you're ready to start the growth hacking process. This comprises 4 key steps—analysis, ideation, prioritization and testing—that run in a continuous cycle.

KEY QUOTES

"You want to track, at a minimum, the metrics for each of the steps users must take to reach the aha moment and how often they are taking those steps."

"The companies that grow the fastest are the ones that learn the fastest."

You'll need to run lots of experiments because not all of them will yield significant or conclusive results.

- Small insights and successes add up. A 5% improvement in conversion rate each month will compound into an 80% improvement in a year. The faster you *test and learn*, the faster you'll grow.

- *Start slow and gradually ramp up*. Small teams can start with 1-2 tests per week, while larger teams can go up to 20-30 tests per week.

Kick off the process with a team meeting to define each person's role, and explain the growth hacking principles and processes. Then, adopt this 4-step process in a systematic and disciplined fashion:

- *Analyze: gather data and insights*. At this phase, the growth lead typically works with the data analysts to address questions such as: how do your best customers behave (e.g. shopping and usage patterns), what are their characteristics (e.g. source of acquisition and profile), and what causes users to drop off (e.g. pages with high exit-rates or bugs). The marketing specialists may concurrently conduct user surveys and interviews. The initial data and analyses are compiled and shared with the team in advance, to facilitate discussion at the next team meeting.

- *Ideate: generate ideas*. After the meeting, every member should take 4 days to submit as many ideas as possible in a templated format which includes:

  (i) The *idea name* (<50 characters) and *description* of the idea to be tested (including who, what, where, when, why and how).

  (ii) The *hypothesis* of the expected cause-and-effect, e.g. "By making it easy for shoppers to view and reorder previously purchased items, we can increase repeat purchase by 20%."

  (iii) The *metrics* to be tracked. Use multiple metrics since improvements in 1 area may come at the expense of others.

KEY QUOTES

"Generally, big successes in growth hacking come from a series of small wins, compounded over time."

"You cannot know ahead of time which experiments are going to be most effective. The best you can do is stay nimble and data-driven."

"Ideas are the rocket fuel of growth. And you need a pipeline of them delivering a steady flow."

"The more ideas that go into your pipeline the better your chances of finding winners that spur growth."

You can also get ideas from people outside the team (e.g. customers or suppliers) by sharing your growth levers and target metrics with them.

- *Prioritize what to experiment*. Each idea must come with a score to help the team prioritize what to do.

  (i) You can use the *ICE score* to rate 3 items: (a) *Impact* (how far the idea is expected to improve the key metric), (b) *Confidence* (how strongly the ideator believes the expected impact can be delivered), and (iii) *Ease* (the amount of time/resources needed to run the test). Use a 10-point scale for each component, then calculate the average score.

  (ii) The ratings needn't be perfect—they're just a tool to facilitate *debate and decisions*. The growth lead can review the ideas and suggest improvements prior to each meeting, or get the team to nominate the top ideas they wish to discuss so only the "finalists" are debated at the meetings.

  (iii) After you've shortlisted the experiments, focus on those that can be done in 1 week, and put the rest in the *experiment pipeline* (with an assigned timeline).

- *Test: run the experiments*. The selected tests for the week are moved up the work list, with 1 member in charge of each test.

  (i) Members must collaborate with other colleagues to implement the tests, while the growth lead helps to remove obstacles.

  (ii) Use these *2 rules of thumb* to ensure the results are statistically valid: (a) Use a 99% statistical confidence level so you only get 1 false-positive out of 100 samples, and (b) if there's a tie or inconclusive results, stick to the original/control version.

- *The cycle is repeated* when you review/analyze the results to decide on the next steps.

  (i) *Summarize the test results* including the name/ description, type of test, features impacted, key

KEY QUOTES

metrics, start/end date, hypothesis and results, other variables that may have affected the results, and your conclusions.

(ii) These should be shared and put into a knowledge database for future reference. *Communicate* the results (e.g. sending a "wins" email, creating a group chat or publishing test results on the company dashboards).

The authors recommend holding your growth meetings weekly (or bi-weekly). Any brainstorming and preparation should be done prior, so each meeting can focus on reviewing the previous weeks' results and setting priorities for the next week.

- Here are how GrowthHackers' own meetings are run:

(i) Growth meetings are held every Tuesday so people can finish their preparation on Monday.

(ii) The growth lead is responsible for sending the compiled data/updates and agenda in advance, and for running the meeting effectively within 1 hour.

SAMPLE MEETING AGENDA	
15 min	Review metrics, highlight key positives vs negatives, and update the focus area
10 min	Review last week's test activity (including tempo, # tests and reasons if any tests weren't done as planned)
15 min	Share key lessons learned (e.g. experiment outcomes, Q&A, team's conclusions on next steps)
15 min	Select the next set of growth tests (for the coming week)
5 min	Check the idea pipeline to ensure there's a healthy pool of fresh ideas being added

Part 2: The Growth Hacking Playbook

In this section, we'll break down how you can implement high-tempo testing across the entire sales and marketing funnel: acquisition, activation, retention and revenue.

KEY QUOTES

Hacks for Acquiring Users/Customers

A must-have product means you've already achieved Product-Market Fit, i.e. you have a compelling product for your target market. To start acquiring new customers rapidly, you must achieve 2 additional types of fit and create viral customer loops.

Language-Market Fit is about describing your product in a way that resonates with your target audience. People's online attention span is extremely short and you only have 8 seconds to convey how your product will improve their life.

- When iPod was launched in 2001, it succinctly conveyed its aha experience with 5 words: "1000 Songs in Your Pocket". To find good words/phrases, try *using your customers' language*: talk to your customers and examine the words they use to review, share or describe your product.

- Small word changes can have a huge impact, and can be tested with *A/B tests*. Tickle's growth skyrocketed after it changed just 1 word from "Store your photos online" to "Share your photos online". A dating app saw a jump in growth when they switched from "Find a Date" to "Help People Find a Date".

- Changes in wording can also affect your *brand and product focus*. For example, P&G launched Febreze with the words "cleans bad smells out of fabrics for good". After observing how avid buyers used Febreze, they added scent and changed the words to "for freshness that surrounds you like never before".

Channel-Product Fit is about selecting the most effective marketing channels for your target audience. It's better to optimize a few top channels than to spread your resources too thinly across many channels. This involves 2 parts:

- *Discovery*: Explore channels across *3 key categories*: viral/word-of-mouth (e.g. social media, games), organic (e.g. search engine optimization, email marketing), and paid (e.g. offline or online ads). Consider channels that're the *most appropriate* for your business model and your

KEY QUOTES

"As you plan your first hacks to test, start with language, and then go from there."

users' characteristics (e.g. the types of words they search for, where they shop, the social networks they use). Once you have specific ideas to improve acquisition, *score/ prioritize* which ones to test first. You can score each idea against these 6 factors (on a scale of 1-10), then calculate the average score:

(i) Expected *cost* of running the experiment

(ii) Ease of *targeting* or reaching your intended audience

(iii) How much *control* you have over the experiment (e.g. if you can easily adjust or stop it halfway)

(iv) How much *input time* is needed to launch the experiment

(v) How much *output time* is needed to extract the results

(vi) What *scale* of audience can you reach with the experiment.

- *Optimization*: As the team starts to run the experiments, some options will stand out and new ideas will surface. Keep refining the channels that work and eliminating those that don't.

Design customer loops. Virality can come from word-of-mouth or be built into your product (instrumental virality).

- *Virality = Payload × Conversion Rate × Frequency*, where (i) payload is the number of people to whom a user will send an invite (e.g. a link/widget) each time, (ii) conversion rate reflects the response rate to the invite, and (iii) frequency is how often people are exposed to the invites.

- Here are some *useful tips* for creating successful viral loops:

  (i) Consider possible *network effects*, i.e. the users' product experience will improve if they bring in other users (e.g. social networks like Facebook or LinkedIn).

  (ii) Offer an *incentive* that's aligned with your product's core value, e.g. Airbnb giving $25 toward your next stay.

KEY QUOTES

"If they don't love it, they're not going to share it. Virality is a balance of how good the packaging is and how good the content is."
—Eli Pariser

"While finding the right words to appeal to people is vital, offering true value is a necessary ingredient for achieving viral growth."

(iii) *Integrate the invitation* into the user experience, e.g. once you join LinkedIn, you're instantly prompted to view your connections and import your contacts.

(iv) Ensure the invitees have a *good experience*, e.g. Airbnb includes the name and picture of the person who invited you, with a personal message and a call-to-action to claim your free credit.

(v) *Keep experimenting* to create a great referral program. After rounds of testing, LinkedIn discovered that the optimal number of invites for their service was 4 (2 invites were too few and 6 were too many).

Hacks for Activating Users/Customers

Having attracted your potential customers, you must now activate them, i.e. get them to use your product.

Use these 3 steps to activate customers effectively:

- *Step 1: Map out the steps* that users must take to get to the aha moment, then calculate the conversion rate for reach step. Consider the channels that brought the customers to you and their journey after they found you.

- *Step 2: Create a funnel report* to show the conversion rates for each step (and how they differ across user segments). Look for the areas with the highest drop-offs, and consider differences between active users, activated users who went cold, and those who were never activated. For example, HubSpot found that users who signed up with their work emails were more active for their new product (compared to those with a personal email), so they started asking for users' work email in the sign-up form.

- *Step 3: Conduct surveys/interviews* to understand why people are dropping off at certain points, then test high-impact ideas based on those insights. Never rely on your own assumptions.

  (i) To avoid irritating users, keep your surveys brief to ideally 1-2 questions. Focus on 2 situations: (a) when they seem confused (e.g. they stay too long on a page

KEY QUOTES

"Improving activation is at its core about increasing the rate at which you get new users to your aha moment. The more visitors who experience what makes your product a musthave, the more of them will stick with you."

"Always remember that there are no silver bullets in growth hacking, and that even what seem like slam-dunk ideas can fail."

or are about to leave the website), or (b) just after they've finished a step that others don't take (e.g. make a purchase). For instance, you can ask why someone didn't complete an order, or what convinced them to complete an order.

(ii) You should also test your mini questionnaires to improve engagement (e.g. the choice of words, images and visuals).

Removing common obstacles to activation. Make sure that the landing page for new users (i) conveys relevance, (ii) shows the value of the product, and (iii) has a clear call to action (CTA).

- Explore *hacks* like allowing users to register with a single click, or letting them enjoy your product before they sign up. You can also improve engagement via questionnaires or gamification.

- *Triggers* (e.g. website CTA buttons, emails or push notifications) are commonly used to improve activation. You can experiment with notification triggers for account creation, purchase, reactivation, new features launches, top user incentives, etc.

(i) As a *rule of thumb*, you should only get in touch with users when there's an opportunity of real value to them.

(ii) When crafting triggers, try to incorporate Robert Cialdini's 6 *persuasion principles*: reciprocity (e.g. give a freebie for signup), authority (e.g. use endorsements from influential people/firms), social proof (e.g. show a large number of users), liking (e.g. use referrals from friends), scarcity (e.g. limit the number of freemiums), and commitment and consistency (e.g. break it down into a series of tiny steps).

Hacks for Retaining Users/Customers

When you retain customers, you can get more repeat purchases (without the corresponding acquisition costs), have more opportunities to understand them and improve your product,

KEY QUOTES

"While we certainly notice the friction in the products we use, we often don't recognize sources of friction in the ones we've been involved in creating or marketing."

"Creating positive friction is a delicate art of putting manageable, ideally engaging steps in the path of visitors that help them understand what the value is and get to the aha moment with greater predictability."

"The longer you retain customers, the more opportunity you have to earn more revenue from them."

and get additional word-of-mouth referrals. A study found that a 5% increase in customer retention rates can improve profits by 25-95%.

A healthy retention rate varies with each product/business, but you can study similar products/services to decide on your metrics. Ideally, you should see a *growing retention rate* over time, like how Instagram becomes more valuable with time as people post more photos and follow more people. You should also do *cohort analyses* to examine why some groups of users are staying longer than others.

Retention can be broken down into 3 phases:

- *Initial retention* is the period when a new user either decides to keep using the product/service or goes dormant. This window varies for different products. Your goal is to identify the minimum level of activity required (e.g. they must return ≥3x in 2 weeks to stay engaged) and focus on getting users to that tipping point. Retention hacks are similar to activation hacks, i.e. you want to get users to the aha moment asap.

- *Medium-term retention* kicks in when the initial novelty fades. Your goal is to help users to form habits so your product is incorporated into their daily routine. According to Nir Eyal, you can design a habit-forming loop in 4 parts: by using a *trigger* to lead to an *action*, which brings a *reward*, which leads to an even greater *investment* by the customer. Focus on testing different rewards to see what works best for different cohorts, e.g.

  (i) *Brand ambassador programs* with a blend of social rewards (e.g. social "likes" or elite status) and tangible ones (e.g. discount tiers or credits).

  (ii) *Recognizing achievements*, e.g. when a customer passes a certain milestone or takes certain actions.

  (iii) *Personalization*, e.g. customizing your email communications and product recommendations.

  (iv) More value "*coming soon*" (e.g. upcoming features or offerings).

KEY QUOTES

"One general rule that holds true across most product types is that improving the perceived value of the rewards leads to greater retention."

- *Long-term retention* requires product improvement—by enhancing existing features and adding new ones. Remember to continually educate your customers about the value they can get, to renew their perception of your product as a must-have.

Resurrection: To win back users who've abandoned your product, you must find out why they left in the first place. When a customer's purchases or activity drops to zero after a designated time period, the team should experiment with resurrection flows (e.g. sending emails or targeted ads) to win them back.

Hacks for Monetizing Users

Ultimately, your goal is to earn more revenue from each customer over time, i.e. to increase your customers lifetime value (LTV).

Refer to the customer journey map to identify *all* the opportunities for monetization from acquisition to retention.

Next, analyze (i) which parts of the customer journey generate the most money, and (ii) where are the pinch points where potential revenue is being lost.

- Once again, compare different *cohorts*, e.g. slice the data by location, gender, age, items purchased, features used, webpage engagement etc. For products sold internationally, you should also consider different payment norms or fees for each country.

- It's useful to develop customer *personas* for groups of customers with similar characteristics, needs and wants. You can run experiments for each persona, get targeted feedback via surveys, or send personalized product recommendations or offers.

- One of the hardest areas to optimize is your *pricing*, which is set based on certain value metrics. Consider if your value metric (i) is aligned with perceived customer value, (ii) scales with product usage and (iii) is easy to understand. Since pricing is closely related to perceived value, lower prices don't always increase sales volume

KEY QUOTES

"Lower prices do often lead to a higher volume of sales—but not necessarily. In some cases, lowering the price can actually hurt sales or at least fail to provide the boost in demand hoped for."

or revenue. The only way to optimize pricing is through continual and careful experimentation.

- You can also apply Cialdini's *6 persuasion principles* to optimize monetization. The key is to use data to measure what works, what customers will pay for, and experiment how best to meet those needs and maximize LTV.

Conclusion and Other Details in the Book

Ultimately, every product and business is different. The only way to uncover the best growth opportunities and hacks is to keep experimenting.

- When a growth team hits upon a *winning idea*, invest to get the most from it (including opportunities for cross-fertilization) instead of simply moving on to new areas.

- The job of growing a business is never finished. Prevent complacency by using growth teams to drive continual data-driven innovation and create a *virtuous cycle of growth*.

This is a detailed guidebook that takes you through the process of hacking growth step-by-step, including specific guidelines, case studies, sample questions and tips to help you grasp the concepts and tailor them to your specific product or business model. For more details and resources, please visit https://growthhackers.com.

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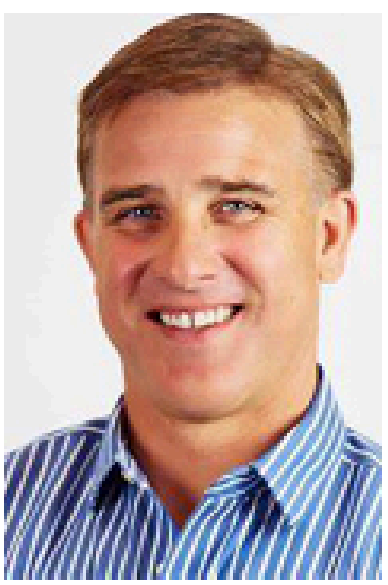


KEY QUOTES

"Doubling down is a powerful way to stack one growth win on top of another."

"Driving growth is a job that is never truly done. The breakout companies that sustain their success are those who constantly push for more, leveraging their success, capitalizing on new opportunities, and creating a virtuous cycle of growth."

THE FIVE MOST IMPORTANT QUESTIONS

YOU WILL EVER ASK ABOUT YOUR ORGANIZATION

BY PETER F. DRUCKER
with Jim Collins, Philip Kotler, James Kouzes, Judith Rodin,
V. Kasturi Rangan, and Frances Hesselbein

The Big "So What"

For many years, non-profit organizations felt that a good cause alone was enough. However, precisely because they don't have a bottomline like profit organizations, it is even more important that they are well-managed. This book provides a self-assessment process to address crucial fundamentals of what you are doing, why you are doing it, and what you must do to improve your organization's performance.

The Importance of Self-Assessment

Self-assessment is crucial to any individual or organization that's committed to becoming a leader.

It forces the organization to focus on its mission. The self-assessment process will lead to the formation of a plan, and planning is an ongoing process (not a one-off event). It requires that you make the best possible decisions today to achieve results tomorrow, to constantly review what works and what doesn't work, so adjustments can be made in light of ongoing changes.

It requires that you listen to your customers. A non-profit organization cannot support every good cause that it encounters. Instead, it must address what its customers (be it a student, donor, patient) want and value. In assessing your customers' needs, you cannot simply guess what they want. You need to talk to your customers and get their input.

It involves setting higher standards and encouraging constructive dissent. To become a force for positive change, to build future communities and change lives, you'll need to constantly challenge status quo and push for renewal/ improvement while you're successful. Important decisions should never be made when there's rapid consensus, as this means that people are avoiding the difficult discussions and decisions, and/or objections are being hidden. Instead, encourage different views and constructive dissent.

Key Quotes

"Leadership has no choice but to anticipate the future and attempt to mold it."

"The mission inspires; it is what you want your organization to be remembered for."

"You cannot arrive at the right definition of results without significant input from your customers...The danger is in acting on what you believe satisfies the customer."

"True self-assessment is never finished. Leadership requires constant resharpening, refocusing, never really being satisfied."

These ideas are expanded upon in the 5 essential questions for self-assessment outlined below. The 5 questions by Drucker have withstood the test of time, and are presented in the book alongside additional inputs from other thought leaders.

1 "What Is Our Mission?"

The mission captures the purpose of an organization's existence. It has to encapsulate something that you believe in, at a deep and personal level, such that everyone in the organization understands and lives it.

In defining your mission, you must consider:
- Your present mission
- Your challenges
- Your opportunities
- Whether your mission must be revisited

For non-profit organizations, changing lives must be at the core of their missions. An effective mission statement:

Is broad and focuses on shaping the future;

Is so short and focused it can fit on a t-shirt;

Is centred on "why" and not "how"; and

Reflects the point where opportunities, organizational competence and commitment converge.

Preserve the core while progressing dynamically

Jim Collins shares that an organization's mission guides it on what to do and what *not* to do. Great organizations concurrently preserve their core, while stimulating progress. They are crystal-clear and unwavering in their mission or core ideology, but dynamic in how they manifest the mission, including changing the operating practices, tactics, strategies, processes, techniques or cultural norms to keep pace with changing realities.

Key Quotes

"A mission cannot be impersonal; it has to have deep meaning, be something you believe in–something you know is right."

"A fundamental responsibility of leadership is to make sure that everybody knows the mission, understands it, lives it."

"The mission transcends today but guides today, informs today."

"Every mission statement has to reflect three things: opportunities, competence, and commitment."

"(People) have a desperate need for a guiding philosophy, a beacon on the hill to keep in sight during dark and disruptive times."
- Jim Collins

Human beings have a fundamental need for belonging and a deeper sense of purpose. As the world becomes more disruptive and unpredictable, a clear mission helps people to feel that they are standing for something they believe in.

2 "Who is Our Customer?"

Only when you have clearly identified your customers can you focus on satisfying their needs. Yet, leaders are often unsure who exactly their customers are, and / or fail to place their customers as the priority. To identify your customers, ask yourself this question "For my organization to be considered successful, who must be satisfied?"

In defining your customers, consider

- Who your primary customers are
- Who your supporting customers are
- How these customers will change

Primary customers. You should have only *one* primary customer, and this is the customer whose life will be changed due to your organization's work. Drucker gave the example of a non-profit organization that focused on "the person with multiple barriers to employment" – over time, this single definition led them to impact different groups of people, from the physically disabled to single mothers to the chronically ill. Identifying your primary customers gives you great clarity for prioritization and decision making.

Supporting customers. You will have *many* supporting customers - including your employees partners, members, etc. – and you must satisfy all of them. When you change your primary customers, you will also create a different circle of supporting customers.

Know your (ever-changing) customers. Your customers (be it their demographics, numbers, needs etc.) will change over time, as will the opportunities for you to serve them (due to changes in technology, environment etc.). The key is to get to know your customers, and to continuously adapt and learn as they change. You should also examine when to *stop* serving specific groups of customers.

Key Quotes

"You define your customer as one who values your service, who wants what you offer, who feels it's important to them."

"Our business is not to casually please everyone, but to deeply please our target customers."
-Philip Kotler

"Your success ultimately depends on what you have contributed to the success of your customers."
-Philip Kotler

Don't attract Customers; Develop Fans

Philip Kotler adds that, it is no longer enough to try and attract customers. The new paradigm of thinking is about choosing your target customers carefully, and satisfying them so well that they become your fans. To do this, you need to:

- Understand the customer buying process - including who is the initiator, influencer, decider and the purchaser - then seek to reach the most influence people in this decision-making process.
- Go beyond data in the customer relationship management process to actually capture and improve the quality of customer experience.

3 "What Does the Customer Value?"

We must understand our customers' needs, wants and aspirations. Yet, these are complex questions that can be only addressed by the customers themselves.

To address this question, consider these about your primary and supporting customers:

- What assumptions you may have about what they value
- What knowledge you must gather to ascertain what they value
- How you can gather this information

Don't assume or infer. In their own eyes and realities, customers always behave rationally; we can only see the logic of their decisions when we see things from their perspectives. To deliver what our customers value, we need to first become aware of our own assumptions or interpretations of what the customers value.

Plan around your customers. To integrate what customers value into your organizational plan, you need to shift the way your organization thinks. Consider your knowledge gaps, then listen and objectively accept what the customers are telling you about their needs and wants. Ensure their voice is an integral part of all your deliberations and decisions.

Key Quotes

"The first rule is that there are no irrational customers."

"Listen to customers, accept what they value as objective fact, and make sure the customer's voice is part of your discussions and decisions, not just during the self-assessment process, but continually."

"People are so convinced they are doing the right things and are so committed to their cause that they come to see the institution as an end in itself. But that's a bureaucracy."

Dare to change the status quo

Jim Kouzes adds that, creating value for the customers means solving their problems. This requires not just an ability to listen, but also the courage to challenge the norms and change what's familiar and stable in your business, to deliver what customer truly want.

4 "What Are our Results?"

In a profit organization, one of the measurements of success is obviously profits. Without it, business is not sustainable in the long run. However, for non-profit organizations, success must be defined and measured differently.

In addressing this question, consider:

- How you currently define results
- If you are really successful
- How you should define results
- What you must enhance or discard

Use qualitative and quantitative measures. You can measure your process and results in both qualitative and quantitative terms. Qualitative indicators look at how deep and wide your impact goes, and can be collected and presented in the form of stories which capture patterns, observations and intangible benefits like "hope" and "inspiration". Quantitative measures involve "hard data" like number and statistics to access if certain standards or goals are met.

Enhance what works and discard what doesn't. With clearly-defined measures, you can identify what you must strengthen, i.e. where to invest resources such that you will get multiple times the results. However, it is equally important to identify what you must discard, without which your resources cannot be optimally deployed. It is not good enough to put resources in an area due to tradition or need – the only reason to invest resources is if it can produce outstanding results.

Key Quotes

"Organizations of the future are relevant and sustainable with measurable results."

"The results of social sector organizations are always measured outside the organization in changed lives and changed conditions – in people's behaviour, circumstances, health, hopes and above all, in their competence and capacity."

"To abandon anything is always bitterly resisted...Yet, abandonment comes first. Until that has been accomplished, little gets done."

Results are both a goal and a test

Judith Rodin points out that, while our long-term mission is important, measurable results in the short term tells us whether our short-term plans are working, and allow us to make midcourse corrections to get better results toward our long-term goals. In other words, results are both a goal in itself, as well as a test of whether we are ontrack to accomplishing our wider mission.

5 "What is Our Plan?"

The process of self-assessment generates a plan, which articulates where you want to be and how you intend to get there. It includes the organization's mission, goals, action steps, budget and appraisal. Since no one can predict the future, the plan needs to keep evolving. Keep asking "What do we want to be remembered for?"

Board vs Management. The board's role is to focus on the mission, goals, resource allocation, and progress review to keep the organization ontrack. The management, on the other hand, is responsible for objectives, action steps and driving results.

Key Quotes

"Planning is not an event. It is the continuous process of strengthening what works and abandoning what does not, of making risk-taking decisions with the greatest knowledge of their potential effect, of setting objectives, appraising performance and results through systematic feedback, and making ongoing adjustments as conditions change."

Goals, Objectives and Budget. An organization should only have a few, and no more than 5, fundamental goals that are approved by the board. Your goals must be rooted in your mission (and by extension, address what opportunities and strengths you'll leverage and where you are going). Your objectives are specific, measurable achievements that will move you towards your goals, including the effective use of the budget approved by the board.

Getting buy-in. Everyone who has a role in the plan should be given the chance to provide inputs – this creates buy-in and understanding of the plan.

In addressing this question, consider:

- If the mission should be changed
- What your goals are

An effective plan comes with 5 ingredients:

Abandonment. Constantly ask "If we were not already doing this today, would we go into it?". If something doesn't work or no longer works, discard it as soon as possible.

Concentration. Focus on what works, and challenge yourself by asking "Can we set and achieve an even higher standard"?

Innovation. Consider the opportunities, emerging issues and conditions of the future, and ask "What do our customers value and how can we make a difference?"

Risk-Taking. Planning inevitably involves decisions and risks. It's a fine line between being too conservative and taking on too much risk, and unfortunately, there's no one-size-fits-all solution.

Analysis. If you are unsure whether to abandon, focus, innovate or take risk, it means you need to conduct further analysis

Key Quotes

"Goals make it absolutely clear where you will concentrate resources for results – the mark of an organization serious about success."

"With genuine participation, a decision doesn't need to be sold...the decision itself becomes a commitment to action."

The plan as the start and not the end

V. Kasturi Rangan highlights that a plan should not be treated as a perfect blueprint for execution. Rather, it is just a starting point for management to refine, adapt and learn. An effective plan:

- Is goal-focused, helping the organization to measure its progress towards its overarching mission.
- Is unwavering in its strategic direction but flexible in execution, with a strong learning focus and constant exploration of possible paths.
- Has individual ownership and accountability. The plan should be developed with the involvement of those responsibility for its execution and results. First, name the individuals, then give them autonomy and flexibility to develop the plan that they will eventually be accountable for.
- Is monitored for improvement. Not all programs will be equally successful. Close monitoring helps to identify which programs contributed results, which ones didn't, and why, so the lessons can be ploughed back into the design of future programs.

Key Quotes

"While the overarching mission might be broad and inspirational, the operating mission must be narrow enough to allow the organization to measure its progress against goals."

- V. Kasturi Rangan

Transformational Leadership

Frances Hesselbein identified 8 milestones that any organization will cross in the process of becoming a truly effective institution:

Scan the environment to identify and understand major emerging trends that affect the organization;

Review the mission at least every few years, asking the first 3 of the 5 questions to ensure your mission is still on point;

Banish hierarchy, so people are not confined into rigid organizational roles. Use job rotation and other ways to fluidly facilitate the expansion of roles and perspectives;

Challenge "the way things are", to identify sacred cows (e.g. programs, policies, practices etc.) that should be discarded;

Communicate powerfully, by reinforcing a few clear and consistent message to all customers and stakeholders;

Develop organization-wide leadership, such that leadership is a shared responsibility and leaders are developed across all levels of the organization;

Lead by example, with leaders leading from the front as role models of desired behaviours;

Assess performance, using the last 2 of the 5 questions to measure and assess how you are doing.

Other Useful Details in the Book to Look Out For

The book was originally written with social or nonprofit organizations as the focus, though the ideas are applicable to any organization or institution that wishes to achieve excellence.

The 5 questions may appear simple, but are certainly not easy to answer. Drucker encourages you to take time to reflect upon each question and allow yourself to consider them carefully. Proper self-assessment could take weeks, if not months to complete, and the process is never finished as leaders constantly refocus and refine.

To aid you in your thinking process and to facilitate discussions, the book comes with a workbook with additional questions and exercises.

Key Quotes

THE FIFTH AGREEMENT

A Practical Guide to Self-Mastery

Miguel Ruiz & Jose Ruiz

The Big "So What"

This book taps into ancient Toltec wisdom to help you break free from limiting beliefs and social conditioning. It offers powerful insights to help you transform your reality, live authentically, and gain self mastery, thereby enjoy greater clarity, freedom, purpose, and inner peace.

Introduction

Toltec wisdom is a way of living that focuses on self-mastery, love, happiness, and understanding yourself and the world.

- It's not a religion but *a guide to living with inner peace*, drawing on universal truths found in many ancient spiritual teachings.
- Toltec wisdom respects all spiritual leaders but doesn't follow any specific belief system. Instead, it helps you *connect with your true self, find joy, and live authentically*.

Toltec wisdom was preserved by generations of "naguals" (masters). Don Miguel Ruiz is a nagual and spiritual teacher from the Toltec Eagle Knight lineage. In his previous book, *The Four Agreements*, he introduced 4 core principles to help individuals live with greater authenticity and freedom. In this book, he partners with his son Don Jose Ruiz to add a 5th principle along with deeper insights and practical guidance for self-transformation.

KEY QUOTES

"The result of practicing the fifth agreement is the complete acceptance of yourself just the way you are, and the complete acceptance of everybody else just the way they are. The reward is your eternal happiness."

"When we master love, intent, or faith, we master the dream of our life, and when all three masteries are accomplished, we reclaim our divinity and become one with God. This is the goal of the Toltec."

The Power of Symbols

Humans create symbols to help us make sense of the world and relate to each other. Symbols include language, social constructs, signs and concepts that we use to think, understand the world, and express ourselves.

- When we were first born, we perceived the world directly without judgment. We acted according to our DNA programming, or the *biological blueprint* that guides our innate responses and impulses.

- As we grew up, we *became "domesticated" by society*. We learned what's "good" or "bad", and what's "acceptable" or "unacceptable". These shape our beliefs and behaviors, leading us to act in line with social norms, often at the expense of our true selves. We even justify why we should curb our instincts to conform with the "correct" behaviors we've learned to accept.

- Once we master certain *languages and symbols*, we start to think and express ourselves through those symbols, allowing them to further shape our perception.

Symbols have no intrinsic truth; they only have meaning because we collectively agree on them. For instance, the words "table" or "tree" only mean something because of our shared understanding.

- *Symbols cannot reflect the whole truth*. For instance, hearing the word "bird" brings an image to your mind, but that image is influenced by what you've learned and experienced; it doesn't reflect the universal truth about birds.

- In fact, *symbols can hold different meaning* for different people, giving rise to misunderstandings. For example:

  (i) In many Western cultures, the color white is associated with purity and weddings, but in some Eastern cultures like China and India, it's associated with death and funerals.

  (ii) In English-speaking countries, "gift" refers to something given freely while in German it means "poison."

KEY QUOTES

"All of our knowledge, 100 percent of it, is nothing more than symbolism or words that we invent for the need to understand and express what we perceive."

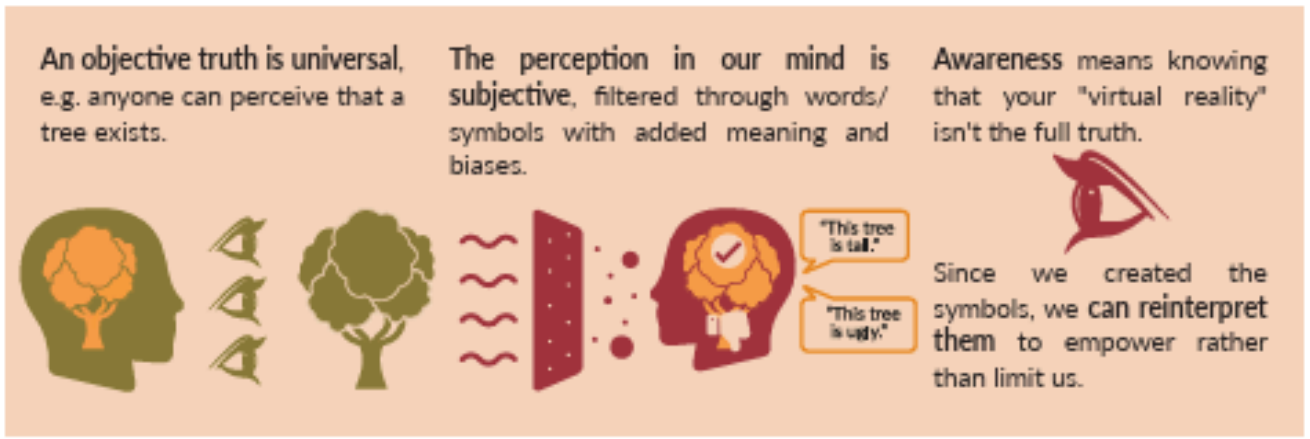
"Symbols only have value because we assign them a value and agree on their meaning. If we don't agree, the symbols are meaningless."

"Everything that exists is true: the earth is true, the stars are true, the entire universe has always been true. But the symbols that we use to construct what we know are only true because we say so."

"To be aware means to open our eyes to see the truth. When we see the truth, we see everything just as it is, not the way we believe it is, not the way we wish it to be."

- There's a real difference between *objective truth and subjective interpretation*. An objective truth is universally visible, like how everyone can perceive that a tree exists. But how we describe it—whether it's "tall" or "beautiful"—is subjective.

- *Awareness* means recognizing that what we perceive isn't the full truth. Once we're aware that symbols and beliefs can distort objective truth, we can consciously separate objective facts from subjective interpretations, allowing us to see life more clearly and to live authentically.



The Five Agreements

These 5 Agreements represent conscious choices or commitments to ourselves. They jointly help us to replace self-limiting patterns with empowering ones, leading to personal freedom, clarity, and mastery.

The First Agreement: Be Impeccable with Your Word

Words are powerful because they shape reality and wield the power to create or destroy.

- Words influence our attitudes, beliefs, emotions, and actions, impacting *how we perceive ourselves and the world*.
  - *Positive words* can uplift and heal us, e.g. if someone told you "You are capable" or "You can achieve anything if you set your mind to it."
  - *Negative words* can crush and destroy, e.g. if someone told you "You are a failure" or "You will never amount to anything."

KEY QUOTES

"Humans are born with the power of creation, and we are constantly creating stories with the words that we learned."

"Awareness opens the door to millions of possibilities, and if we know that we are the artist of our own life, we can make a choice from all those possibilities."

"You were programmed to deliver a message, and the creation of that message is your greatest art. What is the message? Your life."

"You're telling yourself a story, but is it the truth?"

"If you're asking yourself why you're so miserable at times, it's because you're telling yourself a story that isn't true, but you believe it."

We each create a story of ourselves in our minds—a narrative of who we *think* we are, constructed from beliefs, values, and judgments shaped by societal influence. We become deeply invested in this story and see it as our truth, when in reality it's just a reflection of others' opinions, labels, and expectations.

Over time, we absorb many ideas, values, and assumptions from our family, society, and culture. These form a belief system that shapes our "virtual self." The Toltecs call this construct the "human form."

- Our belief system acts like *self-imposed laws*, trapping our "real self" beneath layers of judgments, comparisons, and stories. It disconnects us from our true essence.

- Often, these ideas *contradict each other*, pulling us in opposite directions and diluting the power of our words and actions. When our intentions are free from conflicting beliefs and aligned in one direction, our words and actions become clear and powerful, enabling us to manifest our true desires.

When we invest our power in symbols, beliefs, and judgments, we allow them to control us. But since we're the ones who assigned meaning to these symbols, we can also reclaim our power and choose to use the symbols as neutral tools for communication.

- For instance, as children, many of us believed in Santa Claus and tried to behave to "earn" our rewards. Once we understand that Santa isn't real, it no longer influences our thoughts or actions.

In other words, there are 2 versions of you, and only one version is "real".

- Your *"virtual self"* is a construct of the learned beliefs and knowledge from societal interactions and symbols—it includes all the judgments in your mind about whether you are good or bad, worthy or unworthy, beautiful or ugly. Ultimately, every judgment is just an opinion, and you are free to change that opinion.

- The *"real self"* is the authentic human being (you) that exists independent of both personal opinions and societal expectations.

KEY QUOTES

"The problem is not really knowledge; the problem is believing in a distortion of knowledge—and that is what we call a lie."

"If we are the one who put the power of our faith in every symbol, then we are the only one who can take that power back."

"If we could see our mind in action, we would see... that we are giving life to our creation by giving it the power of our faith, by giving it all of our attention."

"Every judgment is just an opinion — it's just a point of view."

Being impeccable with your words means only using words aligned with truth, and avoiding judgments, criticism, or negativity, whether directed at yourself or others.

- *Speak with integrity*: choose your words carefully, using only words that align with the truth and your real intention. Avoid subjective judgments that distort reality.
- *Lean toward love and truth*. Refrain from using words to judge, reject, criticize, gossip, or spread negativity about yourself or others.

The Second Agreement: Don't Take Anything Personally

Each person's mind is a unique world, constructed from their beliefs, memories, and interpretations.

- Imagine how an ant and a cat might perceive a mouse differently. Likewise, when 2 different people look at the same situation, they experience a *different and unique version of reality*.
- We assume that what we perceive is the truth, when in reality it is just a *distorted version of the truth*, filtered through the beliefs, assumptions, and biases of our own minds.
  - When you see a reflection in a mirror, it looks like the real thing even though it's just a reflection of light.
  - Our mind also reflects reality, but it distorts the image based on beliefs and biases, creating a "virtual reality" that may not align with the actual world.
- We also imagine and daydream frequently when we're awake, and dream when we're asleep. Such mental images continually shape and reshape our stories, *altering our perception over time*.
- In short, *we each live in our own mental world*, unaware that others' experiences and perceptions differ vastly from ours.

Other people's words and actions are less about you, and more a reflection of their own reality, beliefs, and emotional state. This leads to the second agreement: don't take anything personally.

KEY QUOTES

"Be impeccable with your word really means never use the power of the word against yourself. When you're impeccable with your word, you never betray yourself. You never use the word to gossip about yourself or to spread emotional poison by gossiping about other people."

"The world is populated by billions of dreamers who aren't aware that people are living in their own world, dreaming their own dream."

"The world we think we see outside of us is actually inside of us. It's just images in our imagination. It's a dream."

"Even if you try to tell the same story, your story is always changing. At a certain point, you find out that it's nothing but a story. It isn't reality; it's a virtual reality. It's nothing but a dream."

- *You're not responsible for others' actions and opinions*, nor can you control them.
  - We assume we know others well, when in reality we know very little about their inner/virtual world.
  - In fact, we don't even truly know ourselves, since our self image is distorted by our roles, beliefs, and assumptions.
- Instead of *wasting mental energy* on assumptions, use it to focus on understanding the truth instead.
- When we stop taking things personally and *let go of others' judgments*, we free ourselves from unnecessary emotional pain, misunderstandings, and conflict. We stop feeling pressured to defend ourselves, and enjoy greater peace and personal freedom.

The Third Agreement: Don't Make Assumptions

Assumptions are the stories we tell ourselves without knowing the full truth. They distort the truth and are often outright lies.

- These lies are often rooted in *beliefs that don't align with reality*. Imagine a vacant house that looks old and weathered. Someone decides, "This house gives me a strange feeling." Another person agrees, "Yes, I think it's creepy." The superstition grows until everyone agrees the house is cursed.
- Often, 1 lie leads to another, until we spin a *web of lies* that make it hard to see the truth. When each person spins their own story, it clouds reality, leading us away from universal truth.
- What we assume to be "true" often isn't so. At one point, people believed the world was flat, but this is now proven to be wrong. Likewise, much of what we "know" now are also wrong or false.

Lies and assumptions lead to both inner and outer conflicts, which cause pain and unhappiness.

- False assumptions can become *personal or amplified*, escalating pain and conflict. For example:

KEY QUOTES

"The only person who needs to be concerned about the story of you is you. This awareness changes everything."

"To realize that our mind is always dreaming gives us the key to changing our dream if we're not enjoying it."

"All conflict is the result of lies, because the truth has no conflict at all. The truth doesn't need to prove itself; it exists whether we believe in it or not."

"Lies are nothing but superstitions, and I can assure you that we live in a world of superstition. But again, are we aware of it?"

"Making assumptions and then taking them personally is the beginning of hell in this world. Almost all of our conflicts are based on this."

"We only see what we want to see; we only hear what we want to hear. Our belief system is just like a mirror that only shows us what we believe."

(i) We might feel hurt or resentful because we assume someone's delayed response means rejection, when in reality they haven't even seen our message.

(ii) When we overthink or dwell on fears and insecurities, we escalate our mental drama and emotional turmoil.

(iii) When we gossip, we spread distorted versions of events and amplify misunderstandings.

- When we're trapped in lies, we live in a state of *inner "hell"*. When we free ourselves from lies and assumptions, we find peace or a personal "heaven".

- One of the biggest lies today is that "nobody's perfect". Everything in nature—including each human being—is inherently perfect once you stop measuring them against *arbitrary standards*.

  - Consider a flower in a garden. Some might see it as "too short" or "too wild." But who's to say what a "perfect" flower should be like? Likewise, every person is perfect in their own way, even if they have certain disabilities or diseases.

To stop making assumptions, we must cultivate awareness—to actively question our own beliefs and be open to other perspectives.

- See your assumptions as subjective interpretations, not objective truths. *Challenge assumptions* to interrupt automatic judgments, stay open-minded, and reduce unnecessary drama and conflict.

- Stop overthinking and trying to explain or justify everything. Instead, accept that you don't know everything, and *ask good questions* to gain clarity.

The Fourth Agreement: Always Do Your Best

Doing your best means applying the 3 agreements earlier to the best of your ability, based on your current capacity and situation.

KEY QUOTES

"Assumptions are nothing more than lies that we are telling ourselves. This creates a big drama for nothing, because we don't really know if something is true or not."

"If we don't make assumptions, we can focus our attention on the truth, not on what we think is the truth. Then we see life the way it is, not the way we want to see it."

"When we recover all the energy that we invested in making assumptions, we can use that energy to create a new dream: our personal heaven."

"Always do your best is the agreement that everybody can do. Your best is, in fact, the only thing you can do."

- *Don't strive for perfection* or dwell on past failures and future worries.

  (i) Accept that *your "best" will vary* with your energy, mood, and circumstances.

  (ii) Just *focus on what you can do in the moment*, giving it your full effort.

- When you practice the four agreements daily, even if imperfectly, you will progressively internalize them until they *become habitual*.

  (i) You will gradually weaken habits like speaking carelessly, taking things personally, or making assumptions. You will also improve your baseline "best level."

  (ii) Each time you dismantle a limiting belief, you reclaim the personal power you had invested in it, and strengthen the alignment with your true self.

The key is to keep doing your best without self-judgment. In so doing, you commit to the path of self-transformation.

- *If you falter* on any agreement, just renew your commitment without self-reproach.

- The *ultimate goal* is to replace limiting beliefs with the four agreements, aligning yourself with truth and freedom. Transformation occurs when you unlearn old beliefs and conditioned ideas that no longer serve you, and embrace new truths and self-love instead.

The Fifth Agreement: Be Skeptical, but Learn to Listen

The first 3 Agreements guide us toward the truth, the Fourth Agreement helps us to internalize them, while the Fifth Agreement gives us a way to consciously deepen the practice of the original four agreements in real life.

- It uses *doubt as a tool* to question beliefs, separate truth from falsehood, and release agreements that no longer serve us. By challenging ingrained beliefs and internal/external messages, we free ourselves from limiting beliefs that constrain us.

KEY QUOTES

"Eventually the moment will come when all four agreements become a habit. You don't even try. It's automatic. It's effortless. One day you discover that you are ruling your life with the Four Agreements."

"By doing your best, over and over, eventually you are going to master the art of transformation."

"You can relearn how to love yourself by accepting yourself, unconditionally. And you can start by projecting unconditional love to the authentic you."

"If faith is believing without a doubt, and doubt is not believing, be skeptical. Don't believe."

"Instead of doubting yourself, have faith in yourself. Instead of doubting the truth, doubt the lies."

The Fifth Agreement is about balancing skepticism with listening.

- *Be skeptical*: Don't believe anything at face value, since everyone's "truth" is filtered through subjective perceptions, and no single story or symbol reflects the whole truth. However, don't feign skepticism just to appear smart or superior.

- Instead, *listen with openness*. Recognize that people naturally communicate through stories, not out of an intention to deceive.

  (i) Listen respectfully, giving others the space to express their perceived truths without judging, agreeing, or disagreeing.

  (ii) Seek to understand their worldview or perspective without taking their words personally or being affected by them.

  (iii) Once you grasp what they want, it's up to you to choose your response—to agree, disagree, share your views, or ignore the message altogether.

- In the same token, the authors' words in this book are merely a reflection of their own perspectives. Listen to understand, then choose if and how to integrate these insights into your own beliefs. With awareness, *you always have a choice*.

Once we stop trying to label, judge, or explain everything, we uncover a world where things are inherently perfect just as they are, without the need for validation.

- You can *embrace sensory experiences* (like the feel of a sofa or your body's sensations) without labeling them as "good" or "bad." Even emotions or mistakes are neither positive nor negative—they simply exist.

- Although you still think and communicate using symbols, you can choose your words and interpretations to *create a story that brings you peace and joy*, without getting attached to it.

KEY QUOTES

"To be skeptical is not to believe everything you hear."

"The truth doesn't come with words. The truth is silent. It's something that you just know; it's something that you can feel without words, and it's called silent knowledge."

"Once you recover awareness, you become completely responsible for your own evolution—for every choice you make in life."

"Even though you know your story isn't true, you can create the most beautiful story, and you can guide your life through that story. You can create your personal heaven and live in that heaven. And if you can understand other people's stories, and they can understand yours, then together you can create the most beautiful dream."

The Journey to Freedom

According to Toltec wisdom, we progress through 3 stages or "dreams" of attention, each representing a deeper level of awareness and understanding of reality.

In the first stage (the "Dream of the First Attention"), we accept societal "truths" without question, forming our worldview based on the symbols and stories we're taught.

- The authors use the biblical story of *Adam and Eve* to symbolize how we got disconnected from our true essence. When we ate from the Tree of Knowledge (also known as the Tree of Death), we gained "knowledge" of what was right or wrong. In doing so:
  - We "died" spiritually because we stopped seeing ourselves as whole and perfect. We started to experience judgment, guilt, fear and doubt, and our "virtual self" took charge instead of our real, authentic self.
- Awakening from this dream is like a *resurrection of our true self*. It reconnects us to the unity, love, and truth symbolized by the Tree of Life. We return to the state of innocence, inner freedom, and paradise that it represents. It's like a spiritual rebirth that revives our inner essence, so we start to live with authentic awareness and see life without the cloud of judgment and fear.

Once we're aware that our perceptions aren't the full truth, we begin the next phase—the "Dream of the Second Attention". We start to question and dismantle limiting beliefs/agreements to reclaim our personal freedom gradually.

- This stage becomes a mental battleground where we work to *free our authentic self* from layers of false agreements and beliefs.
- In ancient times, people offered sacrifices to gods like Apollo or Zeus. Today, we are still *making sacrifices*.
  - We give up our peace, authenticity, or relationships for modern "gods"—ideals like democracy, justice, or even personal pride.

KEY QUOTES

"You are truth; you are life; you are love."

"The first lie that we believe is 'I am not God.' We see the beauty and perfection of God, and we want to be like God— we want to be that "image of perfection"—and we search and search for perfection."

"You are not who you really are, because you have been possessed by that distorted image of you...And that distorted image of yourself is really your grave, because the real you is not the one who is living your life."

"You have a choice. You can create heaven, or you can create hell. Remember, both are states of mind that exist within you."

"Humans are the only animals on earth who punish themselves a thousand times or more for the same mistake, and who punish everybody else a thousand times or more for the same mistake."

- We also carry baggage from the past, often punishing ourselves and others repeatedly for past mistakes. These open up old wounds, trapping us in emotional turmoil and limiting our ability to live freely in the present.

- Religious teachers like Jesus, Buddha, or Muhammad can provide guidance, but they cannot live our lives for us. *Only you have the power to change your perception*, and by extension, your reality.

- Life operates on *action-reaction*, e.g. self-judgment (action) leads to guilt and shame (reaction). The only way to change the outcome is to change our initial action.

- *The Five Agreements serve as tools* to help us dismantle ingrained, fear-based beliefs, gradually freeing us from the illusions of the "virtual self" so we can live authentically and pursue our true desires. The lies still exist all around us; we simply choose not to invest in them.

The Dream of the Third Attention is the ultimate state of freedom and mastery, where we see life as it truly is, free from personal stories, boundaries, or filters. This stage embodies pure awareness and unity with all of existence.

- The "*Last Judgment*" is commonly interpreted in several religions—like Christianity or Islam—as a final reckoning by God. However, the authors describe it not as an external event, but an internal process where we let go of all judgments about ourselves and others, to find inner peace here and now.

- When we remove all symbols and labels, we come to see that everything—ourselves included—is part of *one unified force*. Just as every drop is part of the ocean, each of us is a unique expression the same universal life force.

  - With this realization, we experience *oneness* with all of creation, including the divine. We realize we're not merely humans experiencing life, but life itself.

KEY QUOTES

"It's not up to God or Jesus or Buddha or Moses or Muhammed or any master, shaman, or guru to save us... No one else can change our world, because that world only lives in our head."

"The Four Agreements are the tools for using your attention a second time to create your personal heaven, and the fifth agreement is the tool to win the war against the tyranny of the symbols."

"Once you have the awareness that almost everything you learned through symbols is not the truth, the only thing left is just to enjoy life, and that's the resurrection."

"Everything in existence is part of the only living being in existence...and you are that being. You are that force that manifests itself in infinite ways throughout all the universes."

"That is what everything is, in billions and billions of different frequencies or manifestations of light. And together, all the different frequencies create only one light."

- All life forms are *unique yet interconnected parts* of one vast, living universe. Every being—be it human, the Earth, or a galaxy—is complete in itself, yet part of a greater whole. Even an atom is like a miniature solar system, with electrons orbiting a nucleus.

- In this state of awareness and communion, *love flows naturally and unconditionally* from you, like sunlight shining on everything. This love isn't based on reasons or stories—it is a part of your being, because you're in harmony with the frequency of love. You can simply exist and enjoy that existence, without the need for judgments, words, or explanations.

The Truth will Set You Free

To see the truth, we must first unlearn what we think we know, letting go of illusions to connect with our genuine nature. The 3 Dreams mirror the 3 worlds found in many spiritual traditions:

- In *Greek and Egyptian* beliefs, they represent the Underworld (unconscious fears and conditioning), the World (our lived experiences), and the Upper World (divine awareness).

- In *Christianity*, these are symbolized as Hell (fear and illusion), Purgatory (the process of inner purification), and Paradise (complete unity with God).

- *Toltec wisdom* presents them as stages of attention, moving from the illusions of the first attention to ultimate clarity in the third.

All 3 worlds coexist within us, and we choose which one we engage with. To master the 3 Dreams, we must exercise deliberate control over our perceptions, and direct our life purposefully, free from external influences.

Other Details in the Book to Look out For

The Five Agreements are practical tools to help you dissolve false beliefs, connect deeply with your authentic self, and master your life.

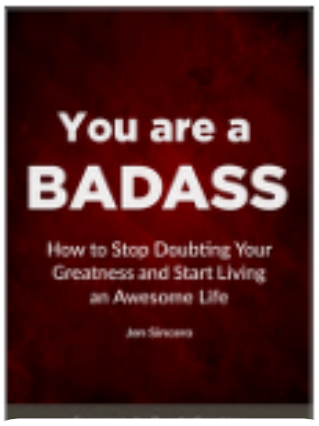
KEY QUOTES

"It doesn't matter if we are a Christian, a Buddhist, a Muslim, a Hindu. We come from the same place, and we're going back to the same place. The infinite creates everything in existence, and when the cycle is over, everything returns to the infinite."

"The truth will set you free, but first you need to see the truth."

"Once you accept yourself just the way you are, you no longer have any judgments about yourself. Once you accept everybody else just the way they are, you no longer have any judgments about them. Then something incredible happens in your world: You find peace. You are not in conflict with yourself, and you are not in conflict with anyone else."

"You are here to enjoy life. You are not here to suffer over your drama or your personal importance."



YOU ARE A BADASS

How to Stop Doubting Your Greatness and Start Living an Awesome Life

Jen Sincero

The Big "So What"

Most people cruise through life. They earn enough to make pay their bills and occasionally dream of a better life. Yet, they don't actually do what it takes to realize their dreams and goals. This book explains how you can embrace your greatness, unlock your potential, and start living the life you've always wanted.

Introduction

The author, Jen Sincero, was broke despite being a published author. She wanted to start living to her full potential, so she embarked on a self-improvement journey and immersed herself in self-help books, courses and programs. This book, written in 27 chapters, captures the best of what Sincero learned, including how she overcame her limiting beliefs, built her confidence, reached for her dreams, and multiplied her income.

- Her main message is this: You are a Badass. You can conquer any challenge and achieve anything you want, if you truly set your heart and mind to it. However, don't just wish for change. Make a *real, non-negotiable decision* to start living your best life.

- To achieve results you've not achieved before, you must be willing to get uncomfortable and do what you've not done before. Sincero asks that you *keep an open mind*, and at least apply the ideas to truly appreciate how they can work for you.

- In *this summary*, we'll examine the factors holding you back from your best life, before looking at how you can unlock your inner Badass.

KEY QUOTES

"You need to go from wanting to change your life to deciding to change your life."

"If you want to live a life you've never lived, you have to do things you've never done."

What's Holding You Back?

Limiting Beliefs and The Subconscious Mind

Our beliefs determine how we perceive and respond to people/events around us. If you believe "I should accept my lot in life" and "I'm not good enough", you will behave very differently from someone who believes "I'm in control of my life" or "I'm learning and growing every single day."

Most of us cling to our beliefs as if they're hard truths. In reality, they're just subjective ideas/beliefs from other people.

- We are born without any preconception of what's good or bad, easy or difficult, possible or impossible. Everything we believe (e.g. what's "scary", "affordable" or "embarrassing") comes from the people around us. They, in turn, learned their beliefs from others around them.

We're free to change our beliefs—to drop the unhelpful beliefs and adopt helpful ones. Unfortunately, we're not always conscious of the underlying beliefs behind our decisions and behaviors.

- Our *conscious mind* is the logical, analytical part of our brain that processes facts, logic, and decisions. We think we consciously control our lives, when in reality our subconscious mind is the one in charge.

- The *subconscious mind* is the intuitive part of our brain. It absorbs and stores stimuli from our environment without our conscious awareness.

  - It doesn't differentiate between what's "true" or "false", and believes anything it sees/hears repeatedly. Since the subconscious brain is fully-developed at birth, we start to absorb sights, sounds, and inputs from the day we are born—long before our conscious brain is developed enough to filter or process the inputs. All these are lodged in our subconscious mind to shape our perceptions.

  - If you saw your parents fighting over money and struggling to make ends meet, you may unknowingly develop

KEY QUOTES

"Most people are living in an illusion based on someone else's beliefs."

"Our conscious mind thinks it's in control, but it isn't. Our subconscious mind doesn't think about anything, but is in control."

beliefs like "money brings pain" or "it's hard to make money". Such subconscious beliefs can work against you, so you struggle to make money no matter how hard you work.

When things are going badly, you can always find self-sabotaging beliefs contributing to the situation. To remove such beliefs, you must first become aware of them.

The Law of Attraction

Everything in this universe is made of energy, all of which is interconnected. You can refer to this infinite pool of energy as God, the Universe, Source Energy, Higher Power, or any term you prefer.

- Molecules vibrate at specific frequencies and attract other molecules vibrating at the same frequency. The *Law of Attraction* says that you attract more of what you think/feel persistently.

  (i) When you focus on problems/complaints and feel overwhelmed, victimized, angry, or helpless, you vibrate at a *low frequency* to attract more of such people/events.

  (ii) When you calm your mind, focus on what you want, and take joyful action with confidence and gratitude, you vibrate at a *higher frequency* to attract more of what you want.

- A key to success is to believe in the Source Energy and concurrently take action to tap on it. Think in terms of *energy, frequency and vibration*, and learn to adjust your frequency like how you tune in to a radio station.

One way to do so is to become fully present in the moment.

- We tend to dwell on the past, worry about the future, and get so caught up with our goals/worries that *we miss what's right in front of us*. We work so hard for our children's future that we neglect to spend time with them now. We complain so much about what we don't want that we lose sight of what we do want.

KEY QUOTES

"The first key to ridding yourself of limiting subconscious beliefs is to become aware of them."

"The Universe will match whatever vibration you put out. And you can't fool The Universe."

- Often, *what we want already exists*. We just can't see it because we're too caught up with the endless chatter in our minds. Consider this: electricity existed long before humans discovered it and invented the light-bulb to tap on the energy. Once you're fully present and connected to the Source, you too can discover new paths to the life you want.

Negative Self-Perceptions

Whenever you try to step out of your comfort zone, your Ego or shadow self will throw up mental, emotional, and physical barriers.

- This is the *inner critic* that restricts you with fears and limiting beliefs. It's the voice in your head that says you can't succeed, you shouldn't take risks, or you're unworthy of love and success. Sincero calls it the "Big Snooze".

- By contrast, your *higher self* embraces new possibilities fearlessly because because it has faith in the Universe's abundance, and in your abilities to grow and overcome any challenge.

It takes as much energy to put yourself down as it does to lift yourself up. Why plague yourself with negative self-perceptions when you can celebrate and develop your strengths, talents and potential?

Embracing your Inner Badass

Love and Accept Yourself

Children don't care about singing off-tune, having bad hair, or dancing awkwardly—until we teach them concepts like shame, fear, and self-doubt. Just imagine what you could achieve if you know that you're loved and lovable just as you are.

- Recognize that *you're special*. There's no one who's exactly like you, with the same talents, experiences, or way of thinking.

KEY QUOTES

"All of those high-frequency things and experiences are already here, just waiting for you to join the party, all you have to do is shut up, show up, and usher them in."

"Wanting to be someone else is a waste of the person you are."
—Kurt Cobain

"It's just as easy to believe we're awesome as it is to believe we're giant sucking things."

- Flood yourself with *positive affirmations* like: "I deserve and receive love every moment everyday" or "My heart is open. Love pours in and out." Display them on post-it notes, play them in your car, and read them to yourself every morning and night.

- *Replace negative thoughts or behaviors* once you notice them, e.g. replace "I'm such a failure", with "I slipped up but I'm learning from it."

- *Drop the self-deprecating jokes*. Your subconscious mind believes anything it sees/hears repeatedly.

- *Accept love and compliments* graciously. Stop comparing with others.

- *Forgive yourself* for any mistakes or perceived shortcomings. If you feel you've wronged someone, then apologize to them.

- Don't focus only on others' needs and demands. Make time for the *things and people you love*, and take care of your body.

KEY QUOTES

"When we're happy and all in love with ourselves, we can't be bothered with the bullshit (our own or other people's)."

"Give yourself the gift of a joyous life while you're still among the living."

Don't Worry About Others' Opinions

When you attempt anything significant in life, you will meet with disapproval, rejection, or even ridicule. Stop living in fear of what others think, and start being true to yourself.

- You can't control others' opinions, but you can take responsibility for *what's true and important for you*. Ask:

  (i) Is this something I want to be, do, or have?

  (ii) Does this take me in the direction I want to go?

  (iii) Will this harm anyone else in the process?

- Accept *constructive inputs* without being defined by them. When you receive a praise or criticism, pause to consider if it's true. If so, use it to improve yourself or help others. If not, just let it go.

- So long as you're *doing your best*, you should be proud of yourself regardless of what others think/say.

"All that matters is what's true for you, and if you can stay connected to that without straying, you will be a mighty superhero."

"What other people think about you has nothing to do with you and everything to do with them."

- Find a *role model* who inspires you. Consider what that person would do, until you're confident to follow your own guidance.

- Don't worry about losing your tribe's approval or acceptance. *You can always find another tribe* that will embrace you as you are.

Discover Your Calling

Figure out what your unique gifts/talents are, then share them bravely with the world. Live on purpose to enjoy a fulfilling, abundant life.

- Look at yourself from a *third-party perspective*. What talents, resources, possibilities, and opportunities would you see?

- Don't overthink. Just *take a first step* and keep moving in the direction that feels right to you. You'll progressively learn about yourself and your calling as you grow and evolve.

- *Get ideas from people around you*. What aspects of their work or lives interest and excite you? Are you excited by the freedom of working alone, or by the joy of collaborating with a team? Do you like doing something physical with your hands, or using all 5 senses to create something new?

- Spend ≥5min per day *connecting with yourself*. Sit quietly with yourself and listen to your inner guidance (on who you are, what you love, and what you truly want).

- Our fantasies—however outrageous—shed some light about our dreams. Occasionally *follow your fantasies* and reach for the stars! What would you do if there were no constraints? What might the best version of yourself be like?

KEY QUOTES

"When we share what we were brought here to give, we are in alignment with our highest, most powerful selves."

"Follow what feels good in the moment, every moment, and it will lead you through a most excellent life."

"Our fantasies are our realities in an excuse-free world."

Tap Into the Source Energy

Practice Meditation

The goal of meditation is to <u>be still and to clear your mind</u>. This allows you to relax, be aware of your inner voice, and connect to the Source Energy. If you're new to meditation, try practicing for just for 5-10 minutes daily, then gradually extend the duration.

- Here are the <u>*basics for meditation*</u>:

  (i) Sit comfortably in a chair, or cross-legged on the floor. Place your hands on your knees or lap.

  (ii) Sit straight and relax your entire face and body.

  (iii) You can close your eyes or gaze softly at a spot 2 feet ahead.

  (iv) Focus on your breathing, noticing how it moves in and out of your body.

  (v) Whenever a thought surfaces, gently release it and clear your mind. Notice any intuitions that surface.

- You can also use these <u>*additional tips*</u>:

  (i) Set a timer so you needn't think about the time.

  (ii) If you need a focal point, let your eyes rest on a candle flame.

  (iii) Instead of focusing on your breathing, imagine a beam of light shining down from the sky, through your head to the rest of your body, and back to the sky again in a full circle.

  (iv) If you can't silence the mental chatter, try using guided meditation or a mantra (e.g. repeating "love" or "om").

  (v) Ideally, do your practice first thing in the morning before other distractions can creep in.

  (vi) You can seek insight/guidance on an issue by asking a question before or after a meditation, then allow the answer to come to you.

KEY QUOTES

"You have all the answers you need, you just need to give them the chance to get through to you."

Change Your Thoughts to Change Your Reality

Everything we create in reality must first exist as a thought. For something to happen, you must first **believe it can happen**. Don't insist on seeing the evidence before you believe in something. It's alright if you don't know how to achieve your dreams and goals yet. Your job is to know what you want, then allow the Universe to guide you on the "how".

- *Quieten your mind*, so you have a clear, uncluttered space to visualize and ask for what you want.
- Create a *vision board* that captures the details of your vision. Place it where you'll see it daily to freeze the image in your mind.
- *Live your vision* as if you've already achieved it. If you want to become a Presidential aide, then imagine yourself working in the White House or attending meetings alongside the President. Gather information and pictures about the role and put yourself in situations where you must act the part and meet with people you'd work with.
- *Upgrade your environment* within your means. If you can't afford to buy a new house, at least tidy up your home or give it a fresh coat of paint.
- Surround yourself with *people who inspire you* and have achieved what you wish to achieve. Stay away from blamers, complainers and whiners.

Reconnect With Your Inner Child

As children, we were full of joy and wonder. Then, we grow up and start to become serious and uptight. Free your inner child to live/dream joyfully, and **have some fun** without constantly worrying about your image or responsibilities.

- Stop fretting over what you mustn't or shouldn't do. Push the boundaries and *see what you can get away with*. Ask "why not?"

KEY QUOTES

"Your job isn't to know the how, it's to know the what and to be open to discovering, and receiving, the how."

"The moment you have the audacity to start believing in the not-yet seen, your reality will begin to shift."

"Being around inspired, visionary, enthusiastic people who are living their truths is one of the fastest ways to massively transform your life."

- Pay attention to the times when you *get in flow*, i.e. you're so absorbed in something that you lose track of time. What were you doing? How can you create more opportunities to do what you love?
- *Be both an Expert and a Beginner*. You can improve yourself, yet laugh at your mistakes and have fun.
- Stop fighting your circumstances and learn to *go with the flow* of life. Find joys in frustrating or unexpected situations.

Give and Receive Freely

The more you give, the more you receive, because you're creating a positive flow of energy. The opposite happens when you cling on to what you have.

- Contribute to 1-2 *meaningful causes* each month.
- *Give away something you love* to someone who'd appreciate it.
- Leave a *bigger tip* than usual.
- When someone is unpleasant, respond with *love and care* instead of retaliation.
- Smile, compliment people, and *make others smile*.
- Accept *invitations and gifts* graciously.

Practice Gratitude

Appreciate the good things and people in your life to attract more of it.

- Greet people politely, say "please" or "thank you", and be thankful for the good things that haven't yet manifested but are on the way to you. This puts you at the *right frequency* to receive what you want more easily.
- By contrast, when you *take things for granted* and complain incessantly, it reduces your frequency and cuts you off from the things you want.

KEY QUOTES

"Take the pressure off and get back in on the adventure."

"Giving is one of our greatest joys. It's also one of the most fearless and powerful gestures there is."

"You cut yourself off from the supply of awesomeness when you are not in a state of gratitude."

Practice gratitude daily:

- In any encounter, *focus on the positives* instead of lamenting on the negatives.
- Each night before going to bed, write down *10 things you're grateful for*.

Practice Forgiveness

Don't protract your emotional pain by clinging to resentment, guilt and self-loathing. Forgive others for yourself, not for them. Let go of your negative feelings to gain a sense of freedom, and stop wasting energy on people/issues that make you feel bad.

- Why hang on to beliefs or attachments that bring you pain? *Choose to be happy*, not to be right. If you must, throw a private tantrum to get it out of your system, then move on.
- Find *compassion*: think of the other person as a child who acted poorly because he/she didn't know how to handle the situation.
- Ask if there could be *other explanations* for what happened, e.g. the other person wasn't ignoring your calls but had lost his phone.
- *Remove the person from the picture*, so you stop wasting energy thinking about them or how they've wronged you. Free yourself to move on without them.

Stop Sabotaging Yourself

Change Your Stories

Often, we create stress and drama unintentionally. We focus on fears/limitations, blow problems out of proportion, then rush around frantically and bump against the walls. If we just calmed

KEY QUOTES

"You cannot exercise much power without gratitude; for it is gratitude that keeps you connected with Power."
—Wallace Wattles

"Holding on to resentment is like taking poison and waiting for your enemies to die."

"Do yourself a favor and use irritating situations and people as opportunities for growth, not pain."

down and studied the situation, we could've found a door and simply walked through it.

Statements like "Nobody cares about me" or "I'm hopeless at this" are not truths. They're just stories that you tell yourself, and you can rewrite your stories:

- *Make a list of your stories and excuses*. They usually begin with words like: "I always", "I never", "I cannot", "I should", "I'm bad at", "I wish", or "Someday".

- *Identify the false benefits* you're getting from each story. For instance, are you saying that you're bad at making money to get someone's attention, or to avoid taking responsibility for your finances?

- Consciously let go of old excuses, attachments, and unhelpful beliefs. Replace each one with *new empowering statements* that help you to imagine a life of joy, power and freedom. For example, replace "I'm bad with money" with "I can handle large sums of money" or "My capacity to earn, hold and grow money expands every day."

- *Build new habits*. Start behaving as if you're already the person living the new stories. Break your old routines, e.g. wear something different, or expose yourself to new places, people, and experiences. You'll realize that the new reality and opportunities existed all along—you just had to start looking in the right places.

Stop Procrastinating

Procrastination is a form of self-sabotage. Why waste energy coming up with excuses, when you can use the energy to just get it done?

- It's better to have a *less-than-perfect interim output*, than to wait indefinitely for a "perfect" solution that's never completed.

- Take note of *where you tend to falter or quit*. Try smoothening the process by hiring someone to handle that task.

- Get someone to hold you *accountable*, e.g. donate $1000 to a charity if you fail to meet your deadline.

KEY QUOTES

"What you choose to focus on becomes your reality."

"Life is an illusion created by your perception, and it can be changed the moment you choose to change it."

"If you're serious about changing your life, you'll find a way. If you're not, you'll find an excuse."

- If you tend to put off your tasks until the last minute because you work better under pressure, then *work with your tendencies*. Know the latest date/time you must start, then allow yourself to enjoy or do other things until the time is up.

Stop Feeling Overwhelmed

When we work ourselves into a frenzy, it only hinders our own performance. Tackle 3 common illusions to regain control of your time/energy.

- *Not enough time*: You can always find time if you want or have to.

  (i) Respect time to have more of it. Turn up for appointments on time, honor your deadlines, and stop wasting others' time.

  (ii) Identify your biggest time-wasters (e.g. social media, emails) and make them as inaccessible as possible.

  (iii) Break down big projects into bite-sized tasks. Work for focused periods of up to 60 minutes, followed by a break.

- *Too much to do*: Do what you can with joy, rather than drown yourself trying to do everything.

  (i) Stop saying how busy you are. Focus on the time you *do* have, and how it feels to do what you enjoy.

  (ii) Focus on the things that must be done *now*, and use your prime hours to tackle the most important tasks first. Then, delegate or reschedule the rest.

- *Too tired*: You can't perform optimally when you're exhausted. Take some time to to rest, recover and recharge to protect your health.

Overcome your Fears

It's normal to be afraid when you're trying something new or challenging. Fear is just a feeling—you can manage it instead of allowing it to rule your life.

KEY QUOTES

"Life is but a dream. Don't turn it into a nightmare."

"Do what you can do in joy, instead of trying to do it all in misery."

"Help is all around us, sometimes receiving it is simply a matter of looking at it differently, or not giving up so easily."

- Recall a past event that you were scared of. Does it still look scary on hindsight? Then, consider if you're in any danger right now. You'd realize that *fear exists purely in your mind* and the imaginary events you fear may never happen.

- *Flip the fear to your advantage*. If you dare not try public speaking because you're afraid of looking silly, consider how silly you'd feel at your deathbed for allowing your fear to rule you.

- *Manage your media diet*. Read, watch, and listen to materials that offer a positive, realistic view of the world, not excessive negativity, fear, or pain.

- Before sleeping, meditate to clear your mind of problems and focus on what you're grateful for. Get a *good night's rest* so you have the energy to face a new day.

See Others As Your Mirrors

The people around us serve as mirrors to reflect back something about ourselves. What we like or dislike about others is always a reflection of what we like or dislike about ourselves.

- Stop projecting onto others, and *start to own your flaws*.

  (i) Pay attention to the things that drive you crazy. If you get triggered by people who break their promises, ask: In what ways do I break my own promises? What fears or insecurities do I have about broken promises?

  (ii) Dig deeper to identify the false benefits you gain from being that way. Then, ask who you must become for this to stop bothering you.

- *Walk away from toxic people*. Don't keep bailing them out or they'll never learn to handle their own problems. If you're truly helping or empowering someone, it should make everyone feel good (not heavy or resentful).

KEY QUOTES

"On the other side of your fear is your freedom."

"If you want to help the world and yourself, keep your frequency high and do your work from a place of power and joy."

"The people you surround yourself with are excellent mirrors for who you are and how much, or how little, you love yourself."

"Never apologize for who you are. It lets the whole world down."

"No one can make you feel inferior without your consent."
—Eleanor Roosevelt

Start Moving Toward Your Best Life

Make a Real Decision Now

You only have 1 life. Don't wait until you have more time, money, or experience to do what you want to do, or to enjoy the people you love. You know you've made a **real, non-negotiable decision** when you feel deep in your gut you'll get it done, no matter what.

- *Crystalize the outcomes you want* badly enough to drive you to take persistent action.
- *Learn to be more decisive* by practicing on smaller decisions. For example, choose where/what to eat within 30 seconds, and choose your grocery items within 10 seconds each.
- Once you've made a decision, *stop negotiating*. Don't give yourself any wiggle room to get out of your commitment.

Make Money Your New Best Friend

Money is more than just a piece of paper. **Money is a form of energy**. How much money you have reflects your frequency and how you see yourself.

Follow these **3 rules of wealth**:

- Have an *abundance mindset*, not a scarcity mindset. Stop playing small, and thinking that you can't afford the things you want. Raise your frequency by playing big and having faith in yourself and the Universe. Use phrases like: "I can" or "There's more than enough".
- Most people wish to have more money but don't believe they can have it. They justify their lack of money by saying they don't need it, or that money is bad. Write down your stories about money and the false benefits you're clinging to.

KEY QUOTES

"Your life is happening right now. Do not snooze and lose."

"So often, we pretend we've made a decision, when what we've really done is signed up to try until it gets too uncomfortable."

"Money is currency and currency is energy."

"Making money isn't only about the money...It's about who you become and what you believe is possible for yourself."

"The more you have, the more you have to share."

Use affirmations to *heal your relationship with money*. Accept that money is good, you deserve lots of money, and can use it to do good. Remember: the more money you have, the more you have to give and share.

- *Know where you want to be*, then take action to make it happen. When our goals are fuzzy, we tend to drag our feet. Once we're clear on what to do and why we want to do it, we move with purpose and urgency.

  (i) Get crystal clear on your ideal lifestyle, how much you want to make, and why. Your vision should be so vivid that you can see it, feel it, and taste it, as if it's already here.

  (ii) Think big: What would you do if you had unlimited wealth? How could you use money in a way that makes you feel good about your wealth? What type of person must you become to be worth 1 million, 10 million or 1 billion?

  (iii) Raise your frequency. Rather than give away your services for free (then struggle to pay your own bills), aim to deliver so much value that others are happy to pay a premium for your services. This way, you can exchange energy at a high level and generate massive wealth to expand your reach/impact.

  (iv) Raise the bar. Set a minimum figure in your bank account, commit 10% of your earnings to charity, and surround yourself with people and ideas that help you to become the person you wish to be.

Surrender and Receive

Once you've crystallized your vision in detail and done your best to move toward it, surrender energetically and let the Universe show you the best way to reach your goals. Allow what you want to come to you, instead of forcing it to happen in a certain way.

- Stop resisting by worrying, doubting, or insisting on control. *Surrender* by taking joyful action with the assurance that what you want is already on the way to you. In short, your role is

KEY QUOTES

"Nothing has any value other than the value we put on it."

"Money is an exchange of energy between people."

"In order to create wealth, you must bring yourself into energetic alignment with the money you desire to manifest."

"Energy needs to flow or else it stagnates. Surrendering puts you in the flow."

"Your faith in The Universe must be stronger than your fear of not getting what you want."

to know and convey your desires in no uncertain terms to the Universe. Then, raise your frequency to that desired future by:

(i) Taking joyful, passionate action toward it;

(ii) Thinking and behaving as if you already have that future;

(iii) Meditating and practicing gratitude to stay connected with Source Energy and your desired future; and

(iv) Loving yourself.

Other Details in the Book to Look out For

The ideas in this book cannot be fully grasped at a logical or conceptual level. You can only *experience* them through real-life application. So, be open-minded enough to just try out the concepts and strategies above. With each epiphany, you'll uncover even more things to learn/grasp in order to move to the next higher level.

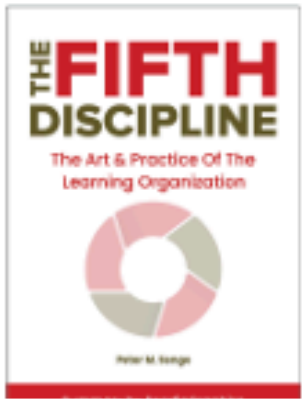
This book is written in an upbeat, "go-get-'em" tone with lots of personal anecdotes, humor, and the occasional curse words. For more tips and resources, please visit https://jensincero.com/.

About the Author

Jen Sincero (born 1965) is an American writer, speaker and success coach. Before becoming a writer and starting her own coaching practice, she worked as a marketer at CBS/Epic Records, and co-founded/played in several rock bands. You Are A Badass is Sincero's 3rd book, which became a bestseller and led to several spinoffs including You Are a Badass at Making Money, You Are a Badass Everyday and Badass Habits.

KEY QUOTES

"When you believe that everything you desire already exists, you are in a natural state of surrender."



THE FIFTH DISCIPLINE

The Art & Practice of The Learning Organization

Peter M. Senge

The Big "So What"

In today's increasingly dynamic and complex world, an organization's ability to learn and renew itself is a sustainable competitive advantage. This book provides the blueprints for the "learning organization", which is a potentially better model for:

- Managing and leading change
- Building adaptive organizations that can cope with an increasingly connected and volatile world
- Improving performance and happiness in the workforce

KEY QUOTES

"In the long run, the only sustainable source of competitive edge is your organisation's ability to learn faster than its competitors."

Introduction

A learning organization is "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together."

Learning organizations combine adaptive learning (that help us respond and adapt to environmental changes) with generative learning (that enhances our capacity to create). In so doing, they continually expand their capacity to create their future.

As the world becomes more dynamic and connected, organizations that thrive and excel are those that tap on people's ability and commitment to learn, at all levels. This is highly achievable as we are all learners by nature.

"Through learning we extend our capacity to create, to be part of the generative process of life. There is within each of us a deep hunger for this type of learning."

"There are ways of working together that are vastly more satisfying and more productive than the prevailing system of management."

The 5 Learning Disciplines and 7 Learning Disabilities

The 5 Disciplines of the Learning Organization

There are 5 basic disciplines that set learning organizations apart from "traditional organizations". These are elaborated in the subsequent pages.

1. **Systems Thinking**, i.e. seeing underlying systemic structures. This is the "Fifth Discipline" that integrates all the disciplines.
2. **Personal Mastery**: Continually learn, achieve clarity & depth of vision, see reality objectively, & close the reality-vision gap
3. **Mental Models**: Uncover limiting beliefs & flaws in our world view
4. **Shared vision**: Commitment to a shared long-term aspiration
5. **Team learning**: Align & develop the capacity of the team as a whole, building on individual talent & vision

In applying the 5 disciplines, it is important to understand: A discipline is a *path* for developing skills or competencies, and practicing it is a lifelong process.

These disciplines are personal disciplines that determine how we think, interact and learn with one another. Our personal disciplines combine to define the organizational disciplines.

The 7 key learning disabilities

"I am my position": Most people focus on their job title or daily tasks, not the purpose of their enterprise. When people focus on their positions, they don't see their impact on the whole and feel little responsibility for organizational results.

"The enemy is out there": When we focus only on our positions, we don't see how our actions generate consequences that boomerang back to hit us. Instead, we blame others.

The illusion of taking charge: When we take aggressive action to fight the "enemy out there", we are actually being reactive. True proactiveness starts in our way of thinking.

KEY QUOTES

"In building learning organizations there is no ultimate destination or end state, only a lifelong journey."

"Organizations work the way they do because of how we work, how we think and interact; the changes required ahead are not only in our organizations but in ourselves as well."

The fixation on events: Monthly sales, quarterly earnings etc. are all short-term events that distract us from the larger, longer-term patterns and causes that lie behind those events. If we focus on events, we can only predict and react to them; we cannot create.

The parable of the boiled frog: A frog in a pot of water that is slowly brought to boiling point will not try to escape. Likewise, we won't notice the slow, gradual changes around us (which often pose the greatest threats) unless we slow down to observe them.

The delusion of learning from experience: We learn best from direct experience. The problem is, we usually don't directly experience (and learn from) the consequences of important organizational decisions (e.g. R&D, leadership changes) because they have a complex ripple effect over long periods of time.

The myth of the management team: The organization is supposedly led by capable management with diverse expertise. However, most of us are trained *not* to admit that we don't know the answer. The reality is, we often have management teams who are pretending to know, rather than actively learning.

Discipline 1: Systems Thinking

This is the "Fifth Discipline" or the cornerstone of the learning organization that underlies and unifies all 5 principles. Our education (and eventually management) systems have trained us to break down problems into small parts. This makes complex tasks manageable, but we no longer see connections and the big picture.

Systems influence behaviour. To understand a thunderstorm, we need to understand the entire eco-system, not just part of the pattern. When faced with a problem, we also need to understand the true systemic causes, not just "solutions" close by or visible to us. There are 3 progressive levels of thinking: Events (reactive) => Patterns of Behaviour (responsive) => Systematic Structure (generative).

KEY QUOTES

"All too often, proactiveness is reactiveness in disguise... True proactiveness comes from seeing how we contribute to our own problems."

"We would never transform the prevailing system of management without transforming our prevailing system of education. They are the same system."
- Dr. W. Edwards Deming

"When placed in the same system, people, however different, tend to produce similar results."

A Shift of Mind

Using systems thinking as a thinking cornerstone brings a shift from seeing parts to wholes, from reacting to creating. It means organizing multiple variables and details into a coherent story, where problem sources are identified and can be properly remedied. It means concurrently seeing the trees and the forest, the detailed and broad patterns.

We tend to see reality in straight lines, when it is really made up of curves and circles. Language shapes perception. When we get fluent in the language of systems thinking, we start to see circles of causality:

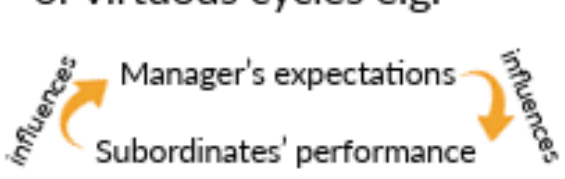
- We see inter-relationships rather than linear cause-effect chains
- We see processes of change rather than static snapshots

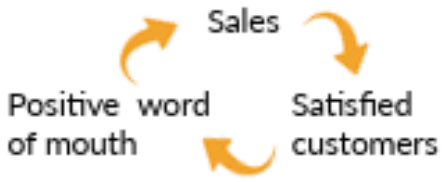
The main shift is to understand what we are part of the feedback process, not outside of it.

Building Blocks of "System Archetypes"

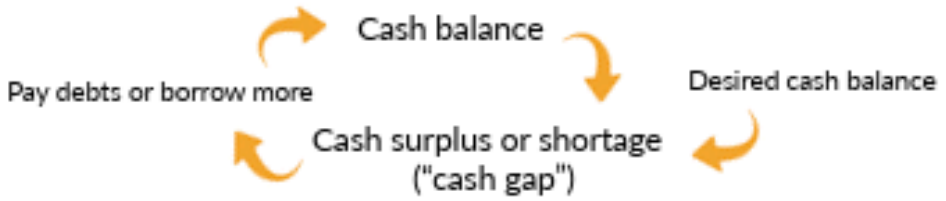
To practice systems thinking, we must learn to see recurring structures or system archetypes. Variables (including our actions) can be organized in loops of cause-effect relationships, where they reinforce or balance one another through a "feedback" process. There are 3 key components that form system archetypes:

Reinforcing (or amplifying) feedback: These are engines of growth that amplify small changes/ actions to form vicious or virtuous cycles e.g.





Balancing (or stabilizing) feedback: These are part of a self-correction process to maintain an implicit/explicit goal/ target. They are sources of both stability and resistance e.g.



Both explicit and implicit balancing processes are constantly at play. Most resistance comes from implicit goals/ assumptions (e.g. ambitions, fears).

KEY QUOTES

"(Systems thinking) means organizing detail complexity into a coherent story that illuminates the causes of problems and how they can be remedied in enduring ways."

"The practice of systems thinking…recognize types of 'structures' that recur again and again."

Delays: There may be systemic delays or "time lags" between actions and visible results (e.g. beer cannot be brewed instantaneously). A lack of awareness may trigger overly-aggressive actions that cause us to "overshoot" our mark.

Generative Learning through Systems Thinking

We cannot address issues that we don't see. Once we see the full structures within which we operate, we can work with or change them, slowly freeing ourselves from previously-unseen forces.

There are only a relatively small number of systems archetypes that underlie most management problems. With practice, we can learn to quickly recognize these archetypes, and know the high and low points of leverage that we can use.

Appendix 2 in the book lays out a list of common system archetypes and the management principles for each situation. Here are 2 of the most common archetypes:

- **Limits to Growth**. Often, we see periods of growth then a slow down, halt or reversal, as the growth hits certain limits (e.g. lack of manpower/supporting processes). The solution is not to push growth, but to identify and remove the factors limiting growth.
- **Shifting the Burden**. It is usually hard to identify the true underlying problem(s), or costly to address them. Hence, managers may prefer to "shift the burden" using symptomatic solutions. These may seem to alleviate the issues, but in reality only move the problems to other parts of the system. The underlying problems usually resurface in a different or worse form.

Using the archetypes, identify strong leverage, where small but well-focused actions can bring huge and enduring improvements.

Discipline 2: Personal Mastery

Learning organizations can only exist through individuals who learn and exhibit high levels of personal mastery, i.e. they live life creatively (rather than reactively), and keep recreating themselves through improvement in competence, skills, spiritual growth etc. Their spirit for learning and growth form that of the organization's. Pursuing personal mastery is a lifelong process...you never "finish" learning.

KEY QUOTES

"Structures of which we are unaware hold us prisoner."

"Being stuck in a system that is not working invariably leads to (us) feeling frustrated and trapped – until we see the larger patterns and our own part in creating these patterns. Once we do, new alternatives become evident."

"To change the behaviour of the system, you must identify and change the limiting factor."

"Individual learning does not guarantee organizational learning. But without it no organizational learning occurs."

Elements of Personal Mastery

Personal Vision: This is a specific picture of your desired future, including areas like health, freedom etc. It includes (but is more than) your life purpose, and has a deep meaning for you.

Holding creative tension: "Creative tension" is the gap between your vision and reality. To resolve this tension, you can either work to bring your reality up towards the vision, or compromise and bring your vision down towards reality. Mastering creative tension means gaining clarity on your vision and your reality, using the gap to generate energy for change, and developing a capacity for perseverance and patience.

Overcoming structural Conflict: Most of us have at least 1 of these beliefs limiting our ability to create what we really want:

- Powerlessness: That we are unable to create the things we want
- Unworthiness: That we do not deserve to get what we want

You can overcome such resistance with strong willpower, though such limiting beliefs can also be changed fundamentally with time.

Commitment to the truth: The best way to start dealing with structural conflict is to be willing to see how we limit or deceive ourselves, to continually challenge our theories of why things are the way they are, and to broaden/ deepen our awareness of structures underlying current events.

Using the subconscious: Deliberately develop rapport with your subconscious or automatic minds, by focusing on your desired results clearly, in a quiet state of mind.

Fostering Personal Mastery in an Organization

You can't force someone to embark on the path of personal growth. As a leader, you can encourage personal mastery by:

Creating a conducive climate e.g. make it safe for people to create visions, inquire & commit to the truth, challenge status quo etc.

Developing all 5 learning disciplines concurrently in the organization, so they can strengthen/ reinforce one another.

Being a role model by committing to your own personal mastery.

KEY QUOTES

"People with high levels of personal mastery are continually expanding their ability to create the results in the life they truly seek. From their quest for continual learning comes the spirit of the learning organization."

"Vision is a specific destination, a picture of the desired future... it is the goal pulling you forward that makes all the work worthwhile."

"Personal mastery...means approaching one's life as a creative work, living life from a creative as opposed to reactive viewpoint."

"There's nothing more powerful you can do to encourage others in their quest for personal mastery than to be serious in your own quest."

Discipline 3: Mental Models

We simplify our world and carry it in our heads as images, assumptions and stories e.g. "People are lazy by nature". Mental models shape how we act because they affect what we see. Two people with different mental models can experience the same event, but see different details and make different interpretations.

There are no right or wrong mental models - the problems arise when they become implicit and we are unaware that they are shaping our thinking and actions. What we are unaware of, we cannot examine, and hence cannot change or improve. The discipline starts with turning the mirror inward to discover our own mental models.

Surfacing and Testing Mental Models

There are 3 facets to develop an organization's capacity to surface and test mental models:

- **Use tools & skills** that promote personal awareness & reflective skills. Specifically, reflective skills involve becoming more aware of how we form our mental models & how they influence our actions. Inquiry skills involve how we interact with others, in dealing with complex and conflictual issues. Some key tools include:

Reflect on gaps between espoused theory (what we say) vs theory-in-use (what we do): When we identify a gap or incongruence, don't judge or criticise. Instead, ask: "Do I really value the espoused theory and is it really a part of my vision?", and make adjustments from there.

Recognize "leaps of abstraction", i.e. our jumps from concrete observations to generalization. Such untested generalizations (e.g. "customers don't care about speed") can easily lead to further generalizations. To spot leaps of abstraction, ask yourself:

1. What do I believe about the way the world works, and upon what "data" is this generalization based on?
2. Am I willing to consider that this generalization may be inaccurate or misleading?

KEY QUOTES

"Structures of which we are unaware hold us prisoner. Once we can see them and name them, they no longer have the same hold on us. This is as much true for individuals as it is for organizations."

"Our theories determine what we measure."
- Albert Einstein

"Generative learning…requires people at all levels who can surface and challenge their mental models before external circumstances compel them to do so."

"Because we remain unaware of our mental models, the models remain unexamined. Because they are unexamined, the models remain unchanged. As the world changes, the gap widens between our mental models and reality, leading to increasingly counter productive actions."

Expose the "left-hand column" (express what we normally don't say): Record a conversation by writing down what's being said on the right hand column. Then, write down what you were thinking/feeling (that led to your spoken response) on the left hand column. Once you can see your assumptions (and why you said or chose to say/not say certain things), you can choose to more openly articulate your views.

Balancing inquiry and advocacy. For effective collaborative learning, we need both advocacy (taking a stand or a point of view) and inquiry (asking questions and inviting alternative views). An example of a balanced approach is: "This is my point of view and how I arrived at it. How does it sound to you?"

- **Develop "infrastructures"** that institutionalize regular use of tools and skills for the discipline of mental models, and
- **Build a culture** that promotes inquiry & challenges our thinking

Discipline 4: Shared Vision

A vision is truly shared when each person in the organization has a similar picture, cares deeply about it because it reflects their personal vision, and is connected to others by this common aspiration.

Shared vision is crucial for the learning organization because it provides the energy and focus for learning, and links people's work to a larger purpose embodied in the organization's products and services. It creates alignment between people and organization, creates trust and courage to do what is needed for the vision, and fosters a naturally long-term view in people.

Building Shared Vision

- **Encouraging personal vision**: Shared visions derive their energy and commitment from personal visions, and the relentless pursuit of the vision and growth that comes with personal mastery.
- **Personal vision => Shared vision**: The relationship between personal vision and shared vision is best illustrated using a hologram. When you divide a hologram, each small piece still shows the whole image intact. When people share a vision, each of them shares responsibility for the whole vision (not just for his

KEY QUOTES

"Practicing inquiry and advocacy means being willing to expose the limitations in your own thinking – the willingness to be wrong. Nothing else will make it safe for others to do likewise."

"Few, if any, forces in human affairs are as powerful as shared vision."

"A shared vision is a vision that many people are truly committed to, because it reflects their own personal vision."

"A vision is truly shared when you and I have a similar picture…when people truly share a vision they are connected, bound together by a common aspiration."

"Visions are exhilarating. They create the spark, the excitement that lifts an organization out of the mundane."

piece), each represents the image from a different point of view, enriching the vision without changing it. Visions that are truly shared don't emerge overnight; they grow out of expression, listening and interaction of individual visions.

- **Spreading visions: commitment vs compliance**. People who are genuinely compliant accept the vision and play by the rules of the game. However, a committed person takes it further – he truly wants the vision, brings additional energy, passion and excitement, and takes responsible for the game. In fact, he will try to change the rules of the game, if necessary, to achieve the vision.

Getting Enrolment and Commitment to the Vision

As a leader, you can use these guidelines:

- Be enrolled yourself
- Describe the vision simply & honestly
- Let the other person choose

The vision cannot stand alone. It works together with an organization's purpose and core values to answer the question: What do we believe in? This is then translated into concrete day-to-day behaviours.

- Vision = "What" is the picture of the future we seek to create
- Purpose = "Why" our organization exists
- Core Values = "How" the company and its people lives on a day-today basis while pursuing the vision

Discipline 5: Team Learning

Alignment is a pre-requisite to individual empowerment. Empowering individuals when there is no or low alignment only brings chaos and wastes energy. Team learning aligns and develops the capacity of the team as a whole, building on individual talent and vision to achieve results that members can't achieve on their own.

In organizations, team learning involves 3 key dimensions:

Insightful thinking about complex issues by tapping the minds of many people.

KEY QUOTES

"This is the art of visionary leadership – how shared visions are built from personal visions."

"People who are enrolled or committed truly want the vision. Genuinely compliant people accept the vision."

"A group of people truly committed to a common vision is an awesome force"

"There is really nothing you can do to get another person to enrol or commit. Enrolment and commitment require freedom of choice."

"When a team becomes more aligned, a commonality of direction emerges. There is less wasted energy. In fact, a resonance or synergy develops."

Innovative and coordinated action, with operational trust in how members can depend on one another to complement their actions

Learning across teams. Team members usually interact and work with other teams too, hence spreading the learning across teams

The Discipline of Team Learning

Team learning involves :

Dialogue and discussions: Dialogue lets a group explore complex or difficult issues from many points of view, hence going beyond individual understanding and uncovering insight that isn't achievable individually. For a dialogue to work, all parties must:

- Suspend assumptions: be aware of assumptions and hold them up for examination
- See each other as colleagues (putting aside hierarchy and roles)
- Balance dialogue & discussion: Dialogues are diverging, with different views being presented and complex issues explored. Discussions are converging, with views being defended, analysis and decisions made. Learning teams switch between dialogue and discussion to identify and decide on new courses of action.

Dealing with conflict and defensiveness. Great teams do not avoid conflict. Instead, they develop skills to see and deal with current reality, and overcome defensiveness. That is why the disciplines of personal mastery and mental models are essential at an individual level before they can be amplified and leveraged at a team level.

Learning through practice. Learning teams need to learn how to learn together. Like team sports, they need "practice fields" to become more effective learning units, to form team skills and team IQ that exceed individual skills and IQ.

INTEGRATION AND APPLICATION

Integrating the 5 Disciplines

Organizations are living systems; they are not static – they have huge capacities to learn, evolve and heal themselves, by how its people live and work day to day.

KEY QUOTES

"The purpose of dialogue is to go beyond any one individual's understanding."

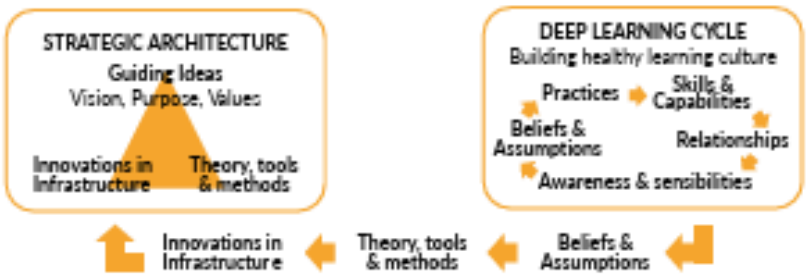
"Unless the team also builds the skills for seeing rather than obscuring current reality, their capacity for learning will be unreliable."

"Perhaps when we rediscover organizations as living systems, we will also rediscover what it actually means to us as human beings to work together for a purpose that really matters."

The 5 disciplines reinforce and support one another, integrated by Systems Thinking. As people practice the discipline of personal mastery, they experience gradual changes, e.g. integration of reason and intuition, greater connectedness to the world, greater compassion and commitment to the whole. The discipline of mental models help people to examine their own assumptions, become more open to and identify new ways of thinking. Shared vision helps people see how their actions contribute to changing and shaping their future. All 3 disciplines set the foundation for team learning, which helps team members to create results they desire, at a level beyond their individual capability. Systems thinking underlies all 4 other disciplines to help us see the big picture and our roles in it, restructure assumptions, and reveal causes and leverage in complex situations.

STRATEGIES

You can build deep learning cycles to reinforce current or emerging learning cultures. There are also many possible intervention strategies, but they should include the 3 elements of the strategic architecture to be most effective:



Strategies for building the learning organization

Integrate learning & working: Learning as an "add-on" to people's existing work only creates more fragmentation. Instead, (a) create opportunities to apply the tools to daily work and (b) create an environment that is conducive to reflecting, thinking and building shared visions. Simple tools like After-Action-Reviews can help to connect action and reflection.

Start where you are, with whoever is there: Strategic thinking need not begin at the top. Any leader, at any level, can/should think strategically. You can start by focusing on the "impossibles", i.e. problems that people have given up on. First, take time to figure it out, then enrol people who are willing to work with you voluntarily, and gradually build from there. To succeed, you'll have to believe in and focus on tapping people's talents and deepest aspirations.

KEY QUOTES

"Successful learning practitioners intent upon having a large-scale impact learn how to connect with the core of the organization –at the deepest levels of individual and collective identify–and how the organization most naturally creates value."

Become Bicultural: Stay in touch with the wider organizational environment, as you need to work with the political forces in the organization. Start with stealth transformation. There's no need to hide your efforts, but don't make a big deal at the early stages until you have enough results to garner support. Be sensitive to and use the language of the incumbent, so you relate to deep values that people can understand.

Create Practice Fields, where people can try something new and make mistakes before deploying the ideas in the real-world. Examples include "camp and hierarchy" ("camps" where people play and address issues away from formal management systems), and "the swirl and wall of fire" (let ideas get tossed around until they get enough organization-wide support).

Connect with the Core of the Business, i.e. where the organization creates value most naturally. First, you must identify who the organization is at the core and what it stands for. Then, do the "fieldwork" to identify the emerging leaders/people in the organization who want to step up and run with the new ideas.

Build learning communities, i.e. groups who gravitate together to address questions they care about. These groups can't be controlled nor manipulated. Use conversations with heart and meaning, and a mix of dialogue and implementation.

Embrace diversity. Work with people/ organizations who are very different, to see varying perspectives and continually challenge our thinking. Consider connecting to new partners across sectors.

Develop Learning Infrastructures (e.g. training and formal education, practice, research and doctrine) that embed learning & insights deep into the fabric of the organization.

The Leader's New Work

Leaders in learning organizations are fundamentally designers, teachers and stewards.

Leaders as Designers: A leader is often considered the captain or navigator of a ship. However, the most impactful and oft-neglected role of the leader is as the designer of the

KEY QUOTES

"The new view of leadership in learning organizations centers on subtler and more important tasks. In a learning organization, leaders are designers, teachers and stewards."

ship. Anyone from any position can be a leader. Appreciating the organization as a living system, a good leader designs the ship with:

- A strong foundation of governing ideas (vision, purpose and values) that connect, mobilize and focus its people.
- Iterative design and learning infrastructures that evolve over time, (e.g. policies, strategies, structures that translate the ideas into daily decisions)
- IT infrastructures that are designed by the teams responsible for learning implementation, not by technical designers focusing on the technology itself.

Leaders as Teachers: As teachers, leaders help people achieve more accurate, insightful and empowering views of reality. To do so, they:

- See gaps in organizational capacity, through engaging personally in dialogues
- Balance short and long term solutions: They help people to apply systems thinking to solve complex problems, while recognizing that such solutions take time and resources. They tackle this dilemma by responding to short-term opportunities in ways that concurrently build longer-term capacity.
- Become learners first. They inspire their students through their commitment as practitioners, not as preachers or "advocates".

Leaders as Stewards: Stewardship is about the desire to serve those we lead, as well as serve a larger purpose. Leaders who demonstrate stewardship are:

- Committed without blind certainty: Someone who is certain about his purpose may be fanatical or close-minded; someone who is committed to his vision recognizes his uncertainties but chooses to stay committed to his path.
- Focus on the larger goal: Learning-oriented leaders don't make decisions to preserve their own power, ambition/status. They focus on the longer-term results, depends on their clarity, commitment & openness to win over their followers

Other Useful Details in the Book to Look Out For

The book was first written in 1990. What seemed radical then is now increasingly accepted and practiced. This revised edition was written some 16 years later, with updates based on global changes and insights from practical application.

This summary only outlines the key ideas of the 423-page book. There are many other details included in the book, such as:

KEY QUOTES

"It is fruitless to be the leader in an organization that is poorly designed."

"(Artful designers) see visions and other guiding ideas as tools for mobilizing and focusing energy. They judge the ideas by their impact, not by how they sound. And they never forget that guiding ideas are always works in progress."

"Genuine commitment…always co- exists with some element of questioning and uncertainty. In this sense, commitment is truly a choice rather than a compulsion."

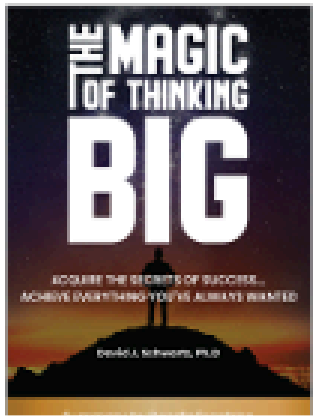
- 11 Laws of the Fifth Discipline
- Details of "The Beer Game" (a laboratory experiment that shows the learning disabilities at work in real organizations and systems)
- Real-life case studies to illustrate the 5 disciplines at work
- Snippets and takeaways from Senge's conversations with leaders and organizational learning practitioners.
- How the fifth discipline can be used to address many of the social and environmental problems that we face today, from climate changes to entrenched poverty cycles.

About the Author

Peter Michael Senge (born 1947) is an American systems scientist. He is also the founding chairperson of the Society for Organizational Learning, a senior lecturer at the MIT Sloan School of Management, and co-faculty at the New England Complex Systems Institute.

Senge lives in Cambridge, Massachusetts. Besides authoring the book *The Fifth Discipline*: *The Art and Practice of the Learning Organization* (1990, rev. 2006), he also co-authored *The Fifth Discipline Fieldbook*, *The Dance of Change*, and *Schools That Learn*.

KEY QUOTES



THE MAGIC OF THINKING BIG

Acquire the Secrets of Success...Achieve Everything You've Always Wanted

DAVID J. SCHWARTZ, PH.D

Introduction

The secret to success doesn't lie in superior talent or intellect. It lies in your thinking. This book explains how you can think big to motivate yourself, improve your results, earn more money, and get more happiness and fulfillment out of life.

Unlocking the True Secrets of Success

Harness the Power of Belief

The first step to success is to believe that you *can* succeed. Your brain is a "thought factory": what you focus on determines what type of thoughts you produce.

- If you *believe you can do something*, your mind will seek out ways to make it happen (e.g. how to acquire the necessary skills or resources). You'll feel energized and motivated to take action, and others can sense your confidence and conviction.
- If you don't believe in yourself, no one else will. If you *think something is impossible*, you won't even try and others can sense your doubts or disbelief.

To develop the power of belief, you need 3 things:

- *Focus on success, not failure*. If you focus on why/how you'll fail, your mind will come up with all sorts of problems and obstacles. If you focus on why/how you'll succeed, your mind will look for opportunities and solutions. Stay away from thoughts like "I can't do this" or "I will fail". Instead, focus on thoughts like "I can do this" and "I will succeed."

KEY QUOTES

"Think Big and you'll live big. You'll live big in happiness. You'll live big in accomplishment. Big in income. Big in friends. Big in respect."

"There is nothing either good or bad except that thinking makes it so."
—William Shakespeare

"Believe in yourself, and good things do start happening."

"Think doubt and fail. Think victory and succeed."

"You can move a mountain with belief. You can win success by believing you can succeed."

- *Don't short-change yourself*. Remember: successful people are just ordinary people who believe in themselves and what they do. You don't need special powers or talents to succeed.

- Your level of success is proportionate to the size of your belief. So, *think big and believe big*!

Enlarge your Thinking

The size of your achievements will never outgrow the size of your thinking. To increase your success, you must upsize your thinking.

Start by seeing yourself in a positive light. Identify your 5 top assets (e.g. education, attitude, connections). Get feedback from friends, family and colleagues if necessary. For each asset, list down 3 people who've done well even though they lack your strengths. Realize that you're actually better than you think.

Our brains think visually using images. Use positive, expansive vocabulary that create empowering mental images and possibilities.

- Words like "It's hopeless. We're completely boxed in." can make you feel stuck and powerless. You can paint a totally different picture by changing your vocabulary to "Let's look at things from a fresh angle to see what new possibilities emerge."

- Use strong, positive and energizing words to describe your *emotions and plans*. Saying "I feel wonderful!" makes you feel much better than "I'm fine" or "I'm ok". Saying "this is a really exciting opportunity" moves people more than "the numbers look positive".

- Describe other people using positive words and phrases, and avoid putting others down. *Compliment others* wherever possible (e.g. compliment their appearance, actions, or achievements).

Enlarge your vision. Look beyond how things are at present, to see how things can be in the future.

KEY QUOTES

"The size of your success is determined by the size of your belief."

"The price tag the world puts on us is just about identical to the one we put on ourselves."

- Ask questions like, "How can I double the value of this house?" or "How can I increase our customers' average expenditure by 10x?" This triggers your brain to *explore possibilities*.

- Focus on how you can *add value* to things (e.g. a house or business), people (e.g. your colleagues or family), and yourself (i.e. to realize your potential).

- Don't get so lost in the trivialities that you lose sight of the *big picture*. Remind yourself of the overall objective, and ask yourself "Is this important enough for me to get worked up?" or "Am I focusing on what truly matters?" For example:

  (i) Great public speaking is less about perfecting your choice of words or delivery. It's more about sharing something meaningful that you're passionate about.

  (ii) Before you lash out at someone for a petty mistake/ flaw, consider if it's really important or if it'll just create unnecessary conflict, waste your time/energy and hurt your relationships.

KEY QUOTES

"Look at things not as they are, but as they can be."

"How big we think determines the size of our accomplishments."

"To eliminate quarrels, eliminate petty thinking."

Eliminate your Excuses

Many people suffer from "excusitis". They make excuses to explain why they can't or won't do something. The more they repeat the excuses, the more they reinforce their negative beliefs.

Cure yourself of these 4 common excuses:

- *Health*: For every person who uses health as an excuse (e.g. a weak heart, an old injury), you can find a successful person who achieves his goals/dreams *in spite of* the same issues, diseases or handicaps.

  (i) Stop talking or fretting about your health. If you have genuine health problems, take steps to improve your health or seek professional help.

  (ii) Feel grateful for your condition. There are others who suffer from worse aches, pains and ailments than you.

  (iii) Make a conscious decision to live fully while you can.

"Thoughts, positive or negative, grow stronger when fertilized with constant repetition."

- *Intelligence*: You don't need a high IQ to succeed.

  (i) Don't underestimate your intelligence and overestimate others'. What truly matters isn't how smart you are, but how you *use* your abilities.

  (ii) Your attitude matters more than your intelligence. With a "can-do" attitude, you can learn and achieve anything.

  (iii) Don't rely on rote learning. Use your brain to think, evaluate/develop ideas, and find better ways to do things.

- *Age*: Stop thinking that you're too old or too young to succeed.

  (i) If you think you're *too old*, stop to consider this: an average person has about 50 productive years from 20-70 years old. How many productive years have you used and how many more do you have? If you work on something meaningful and tell yourself "I'm still young", it rejuvenates you and further extends your productive life.

  (ii) If you think you're *too young*, remember that youth isn't a constraint unless you allow it to be. You can succeed in most roles (and lead people who're older than you) so long as you understand people, know your job and are mature enough to handle the responsibility.

- *Bad luck*: Unsuccessful people attribute their failures to bad luck and attribute others' successes to good luck. In reality, successful people do well because they prepare, plan, take action and learn from mistakes. Create your own fortune: develop the right attitudes/skills and master success principles and tools.

Conquer your Fears

Fear is a real obstacle to success: it can stop you from taking action, speaking up, grasping an opportunity, and can even hurt your health. Telling yourself that "There's nothing to be afraid of" or "It'll be ok" won't remove the underlying anxiety. The best way to address your fear is to confront it.

KEY QUOTES

"What really matters is not how much intelligence you have but how you use what you do have."

"Stickability is 95 percent of ability."

"We don't become successful simply through luck. Success comes from doing those things and mastering those principles that produce success."

"We can cure a mental infection the same way we cure a body infection-with specific, proved treatments."

Most of our fears come from a lack of confidence. Use these 5 ways to build your confidence.

- Dwelling on a fear will only amplify it. The best way to overcome fear is simply to *take constructive action*: Identify what you're afraid of, then take steps to address it. If you're afraid you'll fail an exam, study harder or find a tutor. If you're afraid to speak in public, attend a public-speaking course or join Toastmasters.

- The more you dwell on your mistakes and painful memories, the worse you'll feel. *Manage your memory bank* by depositing and withdrawing only positive memories. Focus on positive experiences that boost your confidence, and let the bad memories fade over time.

- *See people in perspective*. Realize that successful people with money, status and power are also human beings with needs, problems and desires. When people seem rude or aggressive, don't treat it as a personal attack—tell yourself that they're actually nice people who're just having a bad day.

- Never act against your *conscience or values*. The guilt will eat away at you and cause you to lose confidence in yourself.

- Your physical state affects your mental-emotional state and vice versa. When you *behave confidently*, you'll also feel confident.

  (i) Sit at the front row during meetings and assemblies;

  (ii) Make eye contact and give a big smile to others;

  (iii) Speak up: volunteer your comments, ideas or questions; and

  (iv) Walk fast with your shoulders back and your head held high.

Think Creatively

Creative thinking is about finding new and better ways to do things. You can apply it to *any* issue or context, e.g. a

KEY QUOTES

"Action cures fear. Indecision, postponement, on the other hand, fertilize fear."

"There is within each of us a desire to be right, think right, and act right. When we go against that desire, we put a cancer in our conscience."

"To think confidently, act confidently."

"Creative thinking is simply finding new, improved ways to do anything."

low-income family finding a way to send their son overseas to study, or an accountant designing a simpler process for book-keeping.

Use these tools/tips to improve your creative thinking:

- Remove the word "impossible" from your vocabulary. If you believe something's possible, your mind will seek out the solutions. *Focus on why something can be done*.

- There's always more than 1 way to achieve a goal. *Free yourself* from old ways of thinking. Be open to new ideas, experiment with new approaches and look forward (not backward). Continually improve yourself, e.g. have a weekly improvement plan to target specific skills/ attitudes, or to test new solutions.

- Your capacity is a reflection of your inner beliefs. To *expand your capacity*, welcome new opportunities and responsibilities, and ask yourself "How can I do even more?" or "What can I do to increase my output?"

- Get better insights by *asking questions and listening*:

  (i) Test an idea by asking "What do you think of this idea?"

  (ii) Invite others to talk (ask "What do you think we can do about this?" or "Can you tell me more about your experience?")

  (iii) Listen actively and process what the other person is saying.

- *Inject mental stimulation* by:

  (i) Joining ≥ 1 professional group where you can interact with people *within* your field of work, and ≥ 1 group to meet people *outside* your field of work.

  (ii) Expanding your depth and range of ideas: Write down your ideas as they surface → Review them regularly → Keep the ideas with value/potential and throw out the rest → Develop your ideas (e.g. think/ research about them, and connect them to other related ideas) → At the right time, flesh out an idea on paper → Try to "sell" it to someone to test if it has real value.

KEY QUOTES

"When you believe, your mind finds ways to do."

"Capacity is a state of mind. How much we can do depends on how much we think we can do."

"Somebody must 'buy' the idea; else it has no value."

See Yourself in a Better Light

Why do some people emit confidence and command respect, while others don't? The answer lies in their self-image and appearance.

- How you see yourself affects how you look and behave. This shapes *others' impression of you* and how they respond to you.

- Your appearance also affects *how you think and feel*. When you're dressed up for a party, you'll be in a "party mood" When you're dressed up as a soldier you start to think and act like one.

- *Pay attention to your appearance*. You can use the same amount of money to buy half the amount of clothes at double the price, i.e. go for quality over quantity.

Take pride in your work. Three brick-layers were asked about their job. One said that he was laying bricks. The second said he was making money. The third said that he was building the world's greatest cathedral. How would *you* define what you do?

- When you believe that your work is *meaningful and important*, you'll put in your best effort, which leads to better results, more money, promotions, status, and fulfillment.

- If you're a leader or manager, your attitudes and behaviors will directly affect your team. *Lead by example*: demonstrate the type of enthusiasm, can-do attitude and positive behavior that you'd like to see in your team members.

Try giving yourself a pep-talk at the start of each day or just before a challenging task.

- Learn to *sell yourself to yourself*.

  (i) List down your best qualities.

KEY QUOTES

"Others see in us what we see in ourselves. We receive the kind of treatment we think we deserve."

(ii) Write a self-promotion commercial, e.g. "David, I'd like you to meet David, who's a really important person. David is..."

(iii) Say this out loud daily with conviction, ideally in front of a mirror. In addition, read this silently whenever you need a confidence-booster.

Upgrade your thinking in all aspects of life. When you get worried or angry, stop to think if this is what an important person would get worried or angry about. Evaluate your appearance, attitude, language, and actions by considering what successful people would do in your shoes.

Create a First-Class Environment

Our physical health is affected by the food we consume. Likewise, our mental health is affected by our environment and mental diet. Our beliefs and habits—from the clothes we wear to the way we greet one another—are shaped by our environment. You'll be a different person today if you had grown up in a different country and culture. Your current environment will in turn shape the person you become in the future.

Improve your social environment: spend time only with people who provide positive mental stimulation.

- *Enlarge your social circle* by joining new groups or organizations to meet people with different background and experiences. Don't just hang out with friends who share your views, religious or political beliefs. Get to know successful people (or people with potential) and learn how/why they see and do things differently.

- Choose friends who're *positive, big-thinkers*, and want you to succeed. Stay away from people who constantly gossip, complain about petty issues, speak negatively about others or spread rumors/scandals.

Consciously manage the negative forces around you. We're constantly bombarded by suppressive forces that tell us what we cannot or should not do. Many people simply give up and accept their lot in life. Others may achieve some

KEY QUOTES

"Go first class when you have questions. Seeking advice from a failure is like consulting a quack on how to cure cancer."

success but hold back due to their fear of failure, loss or uncertainty. Only 2-3% of people keep making progress year on year because they refuse to surrender or listen to the naysayers.

Only take advice from the best in class. Seek out people who've achieved the results you wish to achieve and ask for their advice.

Improve your Attitude to Improve your Results

Your attitudes affect how you think, feel and act, to affect your outcomes. If you hold negative attitudes toward something or someone, others can sense it from your body language.

Become activated, so you can infect others with your passion and enthusiasm:

- *Dig deeper* to learn more about something/someone. You can always uncover interesting facts that spark your interest.
- *Inject life* into everything you do, be it a handshake, a smile, or a speech. When you put in vigor, feelings and conviction, you'll feel more alive and invigorate others around you.
- Spread *good news and positive experiences* that uplift everyone (including yourself). Each time you interact with someone, aim to leave him/her feeling better than before they met you.

Every human being wants to feel recognized. Treat everyone like they're important, regardless of their status/role or whether they can do anything for you.

- When you make others feel important, they'll notice you and be *more receptive* toward you, which makes you feel more important too.
- *Visualize people at their best* and treat them accordingly.
- *Show your appreciation*: smile, let people know how you depend on them, and give your sincere compliments.

KEY QUOTES

"Attitudes are mirrors of the mind. They reflect thinking."

"Dig in deeper and you dig up interest."

- Always *address people by their name*, making sure that you spell and pronounce it correctly.

- *Share the credit* instead of hogging it. If you receive a praise from your boss, pass it down to your team.

- Give *planned attention* to your loved ones. Ask yourself daily what you can do to make them happy, and set aside time where you can give them your undivided attention.

The best way to make more money is to put service first. If you give more than what people expect, they'll keep coming back.

Treat People Right

No one can succeed without others' support. Work on being likeable. Remember people's names, be courteous, make others comfortable around you, and use every opportunity to add value or give strength to others.

Take the initiative to make friends. Say nice things to everyone you meet, including strangers. At every possible opportunity, introduce yourself to others. Make sure you get their name right. Pronounce it the way they do, and write it down with the correct spelling. Where possible, get their contact details, and follow up with those whom you want to get to know better.

Accept others' limitations and imperfections. Respect individual differences and resist the urge to correct/reform others.

- When you *assume the worst* in others, you'll subconsciously dismiss their inputs, and react suspiciously to everything they say and do. Not surprisingly, they'll respond unfavorably to you too.

- Focus on the *positive qualities* in others. When you see the best in people, they'll also respond positively to you.

It always pays to listen to people, regardless of whether you're trying to understand a customer, solve a problem or win a friend. Encourage others to talk about themselves

KEY QUOTES

"Put service first, and money takes care of itself."

"A person is not pulled up to a higher level job. Rather, he is lifted up."

"Don't be a conversation hog. Listen, win friends, and learn."

(instead of hogging the conversation) and truly listen to what they're saying.

When things go wrong, don't blame others or berate yourself. Focus on how you can do better in future, and make it happen. Set aside your ego to mend any cracks in your relationships.

Take Action Proactively

Ideas alone are useless without action. Don't wait for the perfect plan or conditions before you act.

- You can't avoid risks or challenges. It's better to take the first steps, *allow the situation to unfold*, and work out the solutions along the way.
- As you take action, you'll *overcome your original fears* and add value to your ideas. On the other hand, procrastination will only leave you feeling guilty and frustrated.

Don't wait for inspiration before you act. Instead, take action to *generate* inspiration and momentum. Think of your brain like a mechanical system—by turning a few cogs, you can start your mental engine:

- Break down a task into *smaller steps* and start going through them mechanically. If you need inspiration for a project, start writing or doodling to get your creative juices flowing. If you're struggling to make your sales calls, start by driving out, parking your car, taking your samples, walking to a door, and ringing the bell. Before long, you'll get start to build momentum.
- *Practice* this approach on unpleasant chores or tasks, then apply it to more intense work, e.g. solving a challenging problem.
- The key is to identify what you can do and *take action now*.

Take the initiative to do what's right or meaningful, without being told to do so. If you believe something ought to be done, then do it instead of waiting for others. If you're

KEY QUOTES

"Action feeds and strengthens confidence; inaction in all forms feeds fear."

"Action must precede action. That's a law of nature."

interested in a project, then volunteer for it. Don't let your fear of rejection or failure hold you back.

Turn Defeat into Triumph

Successful people don't cruise through life. They too face opposition, setbacks and defeat. However, instead of complaining about their bad fortune, they learn from the experience, overcome the obstacles, and bounce back stronger than before. To bounce back from a defeat:

- See every setback as an opportunity to learn. Do a *post-mortem* to identify the mistakes, gaps or flaws, and address them without condemning yourself or blaming others.
- *Believe there's a solution*, then set your mind to find it. However, don't bang yourself against the wall by doing the same thing over and over. Experiment with new solutions and approaches.
- If you're stuck, *take a break* (e.g. go for a walk, take a nap or a short vacation) and return to the problem with fresh eyes.

Make Progress with Clear, Meaningful Goals

Every major breakthrough started with a vision. A goal is a clear objective that you're working toward. To take purposeful action, you must first get clear on where you want to go:

- Start by visualizing *where you want to be in 10 years*:
  - (i) *Work*: What level of income, responsibility, authority and status do you wish to achieve?
  - (ii) *Home*: What lifestyle do you want to have, and what financial support do you want to give your children or parents?
  - (iii) *Social*: What type of friends and social groups do you invest your time in, and what causes would you champion?

KEY QUOTES

"Defeat is only a state of mind, and nothing more."

"Before you start out, know where you want to go."

- Define *what you want to achieve in life*, who you wish to be and what would fulfill you.

Have the courage to follow your desires. When you're doing something you love and believe in, you'll feel energized and inspired, thus increasing your chances of success.

- Beware of these *5 goal-killers*: undervaluing your potential, choosing "security" over passion, avoiding a career because it seems too competitive, doing what your parents want you to do, or using family responsibilities as an excuse not to change.

Set big goals, break them down into smaller milestones, then conquer them one step at a time.

- Set goals for *30-day periods*, broken down by daily activities. For example, a 30-day self-improvement plan could look like this:

  (i) Break bad habits (e.g. stop gossiping and using negative language) and build positive habits (e.g. compliment people and set aside time daily to plan your work for the next day).

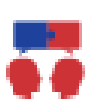
  (ii) Increase your value to your employer (e.g. develop your team members and improve work efficiency) and your family (e.g. show appreciation to your spouse/kids).

  (iii) Build your mental capacity (e.g. read useful books/ materials, do quiet reflection daily).

- Be prepared to *make detours* or take a different route to arrive at your goal.

Be an Effective Leader

No leader can rise or succeed without the support of his/her followers. Master the 4 rules of leadership to become an effective leader.



To influence people, you must first see things from their perspective. Put yourself in their shoes to consider how they

KEY QUOTES

"To get others to do what you want them to do, you must see things through their eyes."

may see things given their background, interests and circumstances. Ask yourself: what would make them *want* to do what you'd like them to do? For example, what would make a customer want to buy your product? What would make a 5 year old kid want to eat his vegetables?

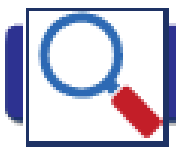
Respect others as fellow human beings. In every decision:

- Ask yourself, "What's the human way to address this?" For example, during a layoff, an executive took time to explain the situation to each employee and even helped them to set up interviews with potential employers.

- Show that you're putting their interests first. The best way to win goodwill and loyalty is to be genuinely interested in others' needs, well-being, and success.

Be progressive in all aspects of your life. Set high standards and seek continual improvement for yourself and others. Treat others the way you'd like to be treated.

Set aside quiet time for solitude, deep thinking and reflection. Commit 1 hour daily to think deeply in a distraction-free space. You can choose to focus on a specific issue or just contemplate whatever issue comes to mind. After a couple of weeks, you may be amazed at how clear and focused your thinking has become.



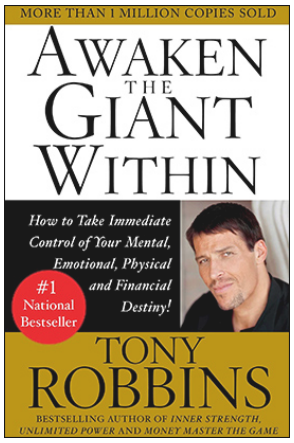
Conclusion and Other Details in the Book

No matter what challenge you're facing—whether you're feeling stuck, discouraged, struggling with a project or relationship—you can conquer it by thinking bigger and becoming a bigger person. However, thinking big is not the same as wishful thinking. Take action *now* to apply the principles above, and observe how successful and unsuccessful people around you embrace or ignore these principles. In the book, Schwartz also shares many personal anecdotes and observations behind the principles in this summary. If you've enjoyed the ideas in this summary, do get a copy of the book for more details.

KEY QUOTES

"Rub people the right way. Be human."

"Think progress, believe in progress, push for progress."



AWAKEN THE GIANT WITHIN

How to Take Immediate Control of Your Mental, Emotional, Physical and Financial Destiny!

BY TONY ROBBINS

The Big "So What"

We all have unlimited potential in us. Through self-mastery, we can take control of our lives, to have and achieve anything we want in life. This book is a detailed action guide to show how you can make fundamental and lasting changes to transform your quality of life.

Introduction

Everyone is born with talents and opportunities. This book aims to awaken us to our true potential. With deliberate focus, we can master and achieve anything.

In the book, Robbins acts as your personal coach, sharing his ideas, experiences, and distinctions, with examples, exercises, and tips to help you take action. This summary distils the key ideas into 3 parts:

- Raising your standards;
- Changing your limiting beliefs; and
- Changing your strategy.

Part 1: Raising your Standards

It Starts with a Decision

Your future doesn't depend on your circumstances; it depends on your decisions. Many people know what they must do to be successful, yet they don't do it. If you don't decide how you'll live 10 years from now, you'd have, by default, decided to let circumstances dictate your life.

Every successful person (e.g. Mahatma Ghandi, John F. Kennedy) had, at some point in their lives, made a major decision. For Robbins,

KEY QUOTES

"This book - and my entire life – is dedicated to producing a measurable increase in the quality of our lives."

"The resources we need to turn our dreams into reality are within us, merely waiting for the day when we decide to wake up and claim our birthright."

"Controlled focus is like a laser beam that can cut through anything that seems to be stopping you."

"Changing an organization, a company, a country—or a world—begins with the simple step of changing yourself."

"In life, lots of people know what to do, but few people actually do what they know."

"True decisions are the catalyst for turning our dreams into reality."

the turning point came 8 years before he wrote this book – he was fat, broke, and decided he had to change his life, and *never* be less than his best again.

- A true decision like this comes with such **complete commitment** that you cut off other alternatives, and persist until you somehow find the way to your goals. The test of a real decision is *consistent action.*

- Each failure is a **learning opportunity**; the more decisions you make, the better and more confident you get. Robbins improved his public speaking manifold through sheer practice - while others did 48 speaking events a year, he clocked the same number in just 2 weeks.

- Make a **long-term commitment** to your decision, but stay **flexible** in your approach. Act on the best available option, and keep your mind open to new options.

Opportunities are everywhere, but you can only harness them if you are taking action. Robbins' decision to do a seminar in Denver brought him to Becky, who later became his wife. His problems with a partner (which cost his company half a million dollars and a $758,000 debt) helped him to build his company bigger and stronger.

Pain and Pleasure: The Forces that Drive Us

Everything we do is to avoid pain, or to gain pleasure. Thus, what we associate with pain and pleasure dictate our choices and our life.

- Even if we logically believe that something is good for us in the long term, we may not take action if we believe it'll bring us **short-term pain**. That's why it's hard to stick to a diet, or to quit smoking.

- We also fear potential loss much more than we desire potential gain, e.g. we'd be more motivated to avoid losing $100,000 than to make an additional $100,000.

- Still, all of us have a **pain threshold**, where the level of pain is so high that we vow never to face it again. The secret is to link massive pain to the behavior/ pattern that we want to avoid, so we'll stay away from it. As a kid, Robbins saw his dad drinking beer and wanted to try it. His mum agreed, on the condition he drank 6 packs at a go, the way his dad did. After forcing down 6 cans of beer and vomiting all over, Robbins never wanted to drink beer again.

KEY QUOTES

"Know that it's your decisions, and not your conditions, that determine your destiny."

"Repetition is the mother of skill."

"The moment one definitely commits oneself, then Providence moves, too."
-Johann Wolfgang von Goethe

"Man is not the creature of circumstances; circumstances are the creatures of men."
-Benjamin Disraeli

"If we associate enough pain to anything, we'll change."

The key is to learn to *use* pain and pleasure to drive our decisions and actions, rather than be controlled by them. We'll address this in Part 2.

Part 2: Changing your Limiting Beliefs

Understanding Belief Systems

Our beliefs shape our perception of reality, which shapes our life:

- Research shows that people literally start to transform their bodies (including diseases, personalities, and even appearance) the moment they believe they are a different person.

- For thousands of years, people believed it was impossible to run a mile in less than 4 minutes. Yet, once Roger Bannister broke this record in 1954, 37 other runners broke it in the same year.

- The book includes many other examples of how people with similar circumstances (e.g. dysfunctional family, crippling accident) can have totally different lives

Building & Changing our Beliefs

An idea is like a table-top - it can't stand on its own. It develops legs when we find references or experiences that support it. A belief is basically an idea that we feel very certain about.

The **strength of a belief** depends on (a) the number of references and (b) their level of emotional intensity.

- *Opinions* are built on a few references and are easily changed.

- *Beliefs* are built on more references, with strong emotional links. We feel so sure about them that we may be closed to new input.

- *Convictions* are obsessions that seem to vital our very existence. We feel intensely about them, get defensive if they're challenged, and are willing to take risks (e.g. failures, rejection) for them. Convictions can spur us to take massive and persistent action, but can also blind us to other views. For instance, zealots believe so deeply in their view of God, they're willing to kill to protect that belief.

KEY QUOTES

"We're not driven by the reality, but by our perception of reality."

"Things do not change; we change."
-Henry David Thoreau

"We can develop beliefs about anything if we just find enough legs - enough reference experiences - to build it up."

"If you question anything enough, eventually you'll begin to doubt it."

Beliefs are built on **references**, which are all the conscious and unconscious experiences we've accumulated. Our character and beliefs are often shaped by references from major events (e.g. near-deaths, huge victories). With more and higher-quality references, we get bigger perspectives and see more choices.

- We can *expand our references* in 3 ways, via (a) our own experiences, (b) external sources (e.g. role-models, books/ biographies, movies/ audios/ seminars), and/ or (c) our imagination (the brain can't differentiate between real and imaginary experiences).

- References are basically *raw materials* that we can organize and interpret any way we like. We can weaken beliefs by planting doubt (using new references or counter-examples), or we can strengthen beliefs (by finding more emotionally-intense references). The key is to consciously seek references that *expand and empower us*.

In short, **it doesn't matter if a belief is "true"**, since humans can rationalize anything we wish to believe. In fact many of our existing beliefs are built on flawed information or assumptions that we didn't validate or scrutinize. What's more important is if the belief *empowers* us. Evaluate inputs independently, instead of relying on social proof or expert opinion. Study role models who've achieved your desired results, and model their empowering beliefs.

Neuro-Associative Conditioning™ (NAC)

When we do something, our brains create a **neural-connection** to the associated feeling or behaviour, whenever:

- There's something *unique* about the situation;

- The behaviour and sensation are happening *simultaneously*; and

- The association happens *consistently*.

The more we do it, the more we reinforce the connection. Eventually, it forms a "neural super-highway", and we continue to do / avoid the behaviour, even when the sensation stops.

KEY QUOTES

"Expand your references, and you'll immediately expand your life."

"Imagination is more important than knowledge."
-Albert Einstein

"Empowering beliefs - this sense of certainty - is the force behind any great success throughout history."

"Using social proof is a great way to limit your life—to make it just like everybody else's."

"Nothing in life has any meaning except the meaning you give it."

Such links are **often flawed**. Our brain often assigns the wrong causes (*"false neuro-association"*). Or, it may feel confused when we link both pain and pleasure with something ("*mixed neuro-association"*), e.g. we want more money, yet don't want to be greedy - this weakens our resolve, and we sabotage our own goals.

The good news is, our habitual mental patterns can be changed quickly and permanently. The **NAC** is a 6-step system designed by Robbins to disrupt your disempowering patterns, and establish new, empowering ones that run without constant effort and willpower.

Define: what you want & what's stopping you from getting it. Usually, we're unclear what we want, and we've linked more pain to changing than to maintaining the status quo. In Part 3, we'll address how to give clarity and power to your goals.

Leverage: Create a sense of urgency, by linking massive pain to not-changing, vs massive pleasure to changing.

- We must bring ourselves to the *pain threshold*, so we know with absolute certainty that we must change *now*. Remove any *mixed feelings* about a change, so our brain is singularly focused on the desired outcome.

- A man at Robbins' seminar wanted to fix his chocolate addiction, but was quietly proud of being a "chocolate champion". Tony made him agree to eat nothing but chocolate for 9 days. By the 3rd day, he couldn't bear to have more chocolate. He had shifted to his pain threshold, removed any mixed neuro-associations about quitting, and was now truly ready to make the change.

- To achieve lasting change, we need *3 core beliefs*: (a) Things *must* change (not should or could, but must), (b) *I* must change it (full personal ownership); and (c) I *can* change it (confidence).

Disrupt: Break the old pattern by disrupting it.

- Do something totally *unexpected and different*, e.g. if you're overeating in a restaurant, jump up, point to your own seat and shout "WHAT A PIG!". After a few times, you will stop overeating as the humiliation is too painful.

- Interrupt the pattern, by *jumbling the memory beyond*

KEY QUOTES

"When you give your brain mixed messages, you're going to get mixed results."

"Change is usually not a question of capability; it's almost always a question of motivation."

"Some men see things as they are, and say, 'Why?' I dream of things that never were, and say, 'Why not?'"
-George Bernard Shaw

recognition. Play the negative memory in your mind like a movie. Then, replay it in fast-forward mode, scrambling and changing the components so it becomes a comedy, e.g. reverse the movie, give someone a pig's nose, add silly music… have fun and repeat until the old feelings no longer surface when you think of the situation.

Replace the old pattern with a new empowering alternative. This is crucial so you won't return to the old habits. Studies in drug rehabilitation found that, those who quit on their own and substituted drugs with relationships, career etc. stayed off drugs much more successfully than those without replacements.

Condition: Reinforce the new pattern until it is consistent.

- Give a reward (e.g. praise, gift, new freedom) with every *small improvement* (e.g. once you reject a snack, or stay away from cigarettes for a few hours). Give a negative reinforcement (e.g. frown, remove freedom) for every *undesired behaviour*. It's crucial to do this immediately, so you link the sensations of the reward or punishment to the pattern.
- You can also *rehearse* it repeatedly in your mind, with emotional intensity.
- Once a reward is linked to a certain behaviour, you can *vary the reward* to keep it effective.

Test the programming by imagining a situation which caused frustration in the past. If you've taken the steps correctly, you should now feel differently about it. If not, revisit steps 1 to 5 again. You can also use the "ecology checklist" in the book to identify potential gaps, and model someone who has achieved what you desire.

Part 3: Changing your Strategies

If you've made a firm decision and are ready to change your limiting beliefs, we can now look at the specific strategies and action steps you can take.

KEY QUOTES

"Any pattern of emotion or behaviour that is continually reinforced will become an automatic and conditioned response. Anything we fail to reinforce will eventually dissipate."

"The way to expand our lives is to model the lives of those people who are already succeeding."

"Often people die emotional and spiritual deaths long before they ever leave their physical bodies."

Getting What We Really Want

Everything we've ever wanted in life (e.g. goals about money, family, career) is to allow us to *feel what we want to feel* (e.g. loved, respected, happy etc.)

The Power of State

Our **emotional states** are our internal (typically unconscious) reaction to what's happening around us. They determine how we feel, and how we act. The same person can behave very differently when he's in a "blur" state versus an "alert" state. It's like a TV being tuned to different channels.

You can **change your emotional states** in 2 ways:

Changing your Physiology: How you use your body affects your feelings. Frowning and dropping your shoulders can make you feel tired, while sitting upright, breathing deeply and smiling can make you feel refreshed. For example, musician and songwriter, John Denver, found that he was most inspired after adrenaline-pumping activities in nature, like skiing or flying his jet.

- Expand your range of experiences, by *expanding your range of emotions*.
- Besides "common" emotions like happy or sad, explore what it's like to feel fascinated, sensual, enchanted, bold, gentle…
- Strengthen your neuropaths for *laughter and happiness*. Try laughing for no reason, grinning in front of the mirror, or even going for a skip instead of a jog!

Changing your Focus: You can change how you feel by shifting *what* you focus on, and *how* you focus.

- *What you focus on*: Our perception works like camera lenses. We can zoom in to make something look bigger than reality, minimize it, or blur it. If you focus on something bad long enough, you'll feel bad; it's the opposite if you focus on something good. Hence, focus on solutions and where you want to go, and ask good questions (e.g. "how can I turn this around?") to focus your brain. We'll expand on this later in the summary.

KEY QUOTES

"Stagnation comes from lack of movement."

"Just by changing our physiology, we can change our level of performance."

"Drivers know that you go where you look; you travel in the direction of your focus."

"Ask and you will receive. Seek and you will find; knock, and it will be opened to you."
-Matthew 7:7

- *How you focus:* We all have our primary experiential modes- *visual* (e.g. colour, brightness, size, distance, movement), *audio* (e.g. volume, pitch, tone, tempo) or *sensory* (e.g. texture, feelings, smells). Identify the experiential modes and sub-modals that bring you most intense emotions (e.g. if you are primarily visual, are you most moved by colour or movement?).

  Use these modes to focus on something with intense emotions, or push something undesirable into the background. In the book, Robbins explains this in detail, with exercises to help you identify and craft your experiences.

Combine the ideas above to list down at least 15 empowering things that you can do to feel good instantly (e.g. swimming, hugging your kids, having a hot bath). Use this to do things that build positive neuro pathways, and avoid destructive sources of pleasure (e.g. drugs).

The Power of Questions

Successful people ask better quality questions that empower and lead them to good answers. Questions can:

- **Instantly shift your focus and feelings:** Instead of asking "why am I so upset?", ask "how can I find joy at the moment?". Instead of affirmations like "I'm happy", ask questions like "what can I be happy about now?" When disaster strikes, rather than ask questions like, "why me?", ask "how can I use this?" and "what do I still have?".

- **Help us to prioritize:** Our minds only focus on a few things, and delete what's unimportant. If you focus on what's making you upset, you naturally shut out what's making you happy. If someone asks you, "how would you feel about losing the game?", your brain starts to focus on the possibility of losing. Answering the wrong questions can weaken your empowering beliefs and create new ones.

- **Uncover resources and solutions:** When you ask questions like "how can I get 10x better results?" your mind seeks out new options you may not otherwise consider. The answers may not come instantly; keep asking the questions with faith until the answers surface.

KEY QUOTES

"As the fletcher whittles and makes straight his arrows, so the master directs his straying thoughts."
-Buddha

"If we want to change the quality of our lives, we should change our habitual questions.... (they) direct our focus, and therefore how we think and how we feel."

"The question is not whether you're going to have problems, but how you're going to deal with them when they come up."

"It's not only the questions you ask, but the questions you fail to ask, that shape your destiny."

"The important thing is not to stop questioning. Curiosity has its own reason for existing."
- Albert Einstein

Learn to ask great questions as part of your success habits. The book also includes a list of problem solving questions, and "power questions" to focus your mind every morning and evening.

The Power of Vocabulary and Metaphors

Language is a crucial part of culture, and it shapes how we perceive, think, feel, and act.

Words: Help our minds to interpret/ translate our experiences, and have an instant biochemical effect on our state, e.g. you'd react differently if you were called an "idiot" vs an "angel". Just by changing the labels you put on your emotions, you can change how you feel. Robbins terms this "**Transformational Vocabulary**".

- You can reduce the emotional intensity of **negative feelings** using words. Try asking yourself, "am I furious, or just feeling a bit annoyed"? Instead of saying "I'm depressed", try "I'm feeling a little down", or "I'm recovering from a slight bump". You can also use fun/ novel words to break your pattern, e.g. "oh, poops" may make you laugh and snap out of your anger.
- You can heighten **positive sensations** with words like: unstoppable, amazing, outrageous, smashing, dynamite (vs words like okay, good, alright, cool).
- Words can also soften your **approach with others**. Instead of saying, "This is really screwed up, we must fix it", you can say, "I'm a little concerned about this, can we talk about it?"
- In the book, Robbins provides a range of vocab you can use. The goal is not to deny your negative feelings, but to be able to consciously reduce pain and increase pleasure in your life.

Metaphors: are very powerful because they bring up strong emotions, imagery and associated frames/ rules.

- A simple **shift in metaphor** changes your perceptions and associated frames/ rules. For example, "life is an ongoing battle" brings up different frames of reference compared to "life is a game" or "life is sacred". Choose empowering metaphors e.g. "climbing the success ladder" instead of "trudging through the battlefield." If someone says "I've hit a brick wall", you can suggest they drill through it, or open a door and walk through.

KEY QUOTES

"Words form the thread on which we string our experiences."
- Aldous Huxley

"Words shape our beliefs and impact our actions".

"Words are the fabric from which all questions are cut."

"Words can injure our egos or inflame our hearts."

"We've got to be precise in the words we use because they carry meaning not only to ourselves about our own experience, but also to others."

"Take control of your metaphors now and create a new world for yourself: a world of possibility, of richness, of wonder, and of joy."

- Some metaphors may be appropriate in one **context** but not another. Be careful of the **limiting beliefs** that can come with a metaphor, e.g. a pond brings to mind different associations from an ocean. Your choice of labels or metaphors can also shape your **relationships**, e.g. calling your spouse "the old man" vs "my lover" or "life-partner".

Emotional Mastery

In our **garden of life**, weeds (like negative emotions) will always appear. We shouldn't ignore them, nor get upset over them. Simply remove the weeds and plant your positive emotions daily so your garden will be healthy and vibrant.

Our emotions are our internal compass – they tell us if we need to change our course. You can use the **NAC** to master your negative emotions in 6 steps:

Identify the feeling and use transformational vocab to reduce the intensity, e.g. "Am I feeling betrayed, or just a little hurt?"

Accept your emotions as a call-to-action; don't avoid or fight them.

Shift your emotional state to *curiosity*. Consider the message behind the feeling, and shift to solutions mode.

Focus on *turning things around*. Model past successes and build confidence to break your current state.

List 3-4 options to handle similar situations in future. *Rehearse* them mentally to build your neuro-pathway and confidence.

Take *action*, giving yourself time to get used to these 6 steps.

The book details **10 "action signals"** or negative emotions, and their underlying messages (discomfort, fear, hurt, anger, frustration, disappointment, guilt, inadequacy, overwhelm, loneliness), as well as 10 "**emotions of power**" or positive emotions (love & warmth, appreciation & gratitude, curiosity, excitement & passion, determination, flexibility, confidence, cheerfulness, vitality, contribution).

- Most of the 10 emotions of power are **antidotes** to the 10 action signals e.g. gratitude can overcome fear, curiosity can shift the sense of hurt, anger can be redirected into excitement and passion, etc.

KEY QUOTES

"You don't need any special reason to feel good—you can just decide to feel good right now, simply because you're alive, simply because you want to."

"Cultivate curiosity, and life becomes an unending study of joy."

"If you could only love enough, you could be the most powerful person in the world."
- Emmet Fox

"The consistent expression of love seems to be able to melt almost any negative emotions it comes in contact with."

- As you practice the 6 steps of emotional mastery, learn to recognize the various emotions and discover their underlying meaning for you.

- Always tackle negative emotions early, before they build up.

Defining your Goals

Often, people don't set goals for fear of failure. Yet, it's vital to have a crystal-clear focus that you commit to. In the book, Robbins walks you through a **detailed goal-setting exercise** in 4 areas: (a) Personal Growth, (b) Career/ Business/ Financial, (c) Things to Own/ Do, and (d) Contribution.

- For each area, **brainstorm** a list of every goal you'd want to achieve. Add a **timeline** to each item (don't worry how you'll achieve it yet).

- Decide on your **top 1-year goal** for each of the 4 areas. Get clear on your **"why"**, by writing down why each goal is vital and why you're committed to it.

- Over the next 10 days, build **momentum and emotional links**:

  - Break down the top 4 goals into *small daily actions*, and do them.
  - Twice a day (morning and night), *rehearse* how it feels like to achieve your top 4 goals.

- Surround yourself with **role models** and people who can help to bring your goals to life. **Review** your list regularly to ensure you're still committed to them.

Unleashing your Inner Giant

Your goals are a means to an end, a tool to direct your focus and growth. The ultimate goal is to **unleash your potential** – who you become, and the people you touch along the way. With clarity on your goals, you can now answer this question: "To achieve all that I want, what kind of person must I become?"cross-cultural.

Your Hierarchy of Values: Our life values shape our decisions. Since many of us don't know who we want to be, or what our values are, we can't make the "right" decisions, and this brings us pain.

KEY QUOTES

"My philosophy is, 'Kill the monster while it's little'."

"There's nothing quite so compelling as a feeling of sincere contribution."

"Remember that goals are dreams with a deadline."

"Achieving goals by themselves will never make us happy in the long term; it's who you become, as you overcome the obstacles necessary to achieve your goals, that can give you the deepest and most long lasting sense of fulfillment."

- We all have pleasurable emotions that we gravitate towards (e.g. love, success, freedom) and those that we avoid at all costs (e.g. rejection, loneliness, failure). Sometimes, our values *conflict* with one another, e.g. if you value both freedom and security almost equally, you may feel torn between the two. Or, someone who seeks success but fears rejection will find it hard to move ahead.

- Our current values are shaped by many external influences – e.g. parents, teachers, friends, colleagues - they don't usually represent who we really are, or can be. The key is to (a) know your current values and (b) set them up so they're "aligned" with your top goals and who you want to be.

- In the book, Robbins takes you through several exercises to identify your current values, potential sources of conflict, and to recreate a prioritized list of values that are *aligned* with your desired destiny. Some questions to consider are: "To achieve my desired destiny, what set of values must I live by?", "What would it cost me if this value was at the top of my list?"

Remember: your past is not your future, and you are free to choose values that support you.

Changing the Rules: We have many spoken and unspoken rules that we use to evaluate people and things around us, e.g. what's a good boss, lover, parent…

- When your rules are *distorted or conflicting*, you feel like a perpetual loser no matter what you accomplish. If "love" is your top value, and one of your rules is "If you get too close to someone, you'll get hurt", you're setting yourself up for pain.

- Each time you're upset with someone (including yourself), it's because your rule(s) or expectations have been violated. Since rules are set by you, you are free to re-create them. Relook at your "must" rules (those you abide by strictly) to see if they should be relaxed or removed. Set *empowering rules* that move you in your desired direction, and fulfil 3 criteria: (a) achievable, (b) within your control and (c) make it easier for you to feel good than bad.

Identity: We act consistently with who we think we are (even

KEY QUOTES

Every decision is guided by (our) values, and in most cases, we didn't set them up."

"We are not our values. We are much more than our values."

"How can you ever hope to win a game if you don't even know the rules?"

if it's inaccurate). If you keep failing to make a change, it's probably due to a clash with an underlying identity belief (e.g. "I'm conservative", "I've got fat genes"). We're free to evolve and shape our own identity, and Robbins shares several exercises to help you do so. Here's an example:

- When you are in a calm and resourceful state, ask yourself, *"Who am I?"*. Write down whatever comes up, and keep adding on to your list, until you feel certain about the description.

- List down all *components* of this identity (e.g. how you look, walk, think). Identify the role models who have these characteristics, and keep expanding your list in detail. Create an *action plan*, including a list of people you should/ should not associate.

- *Commit* to your new identity – share it with everyone, and use the new label to describe yourself daily.

Taking Control of the Master System

Successful people stand out in their field because they've gotten enough distinctions to make great evaluations (e.g. Warren Buffett and Peter Lynch in investments). The effectiveness of your evaluations hinge on **5 key building blocks:**

- **Your mental /emotional state:** Make vital decisions only when you are in a resourceful state (rather than negative state).

- **Your habitual questions:** Ask the right questions to shape your focus and results.

- **Your hierarchy of values:** Choose your values carefully, aligning them with your highest goals and who you want to become.

- **Your beliefs:** Build empowering beliefs and convictions that energize you to take consistent action.

- **Your references:** Gather new references to expand your views. Organize and interpret them in ways that empower you.

KEY QUOTES

"We can't control the wind or the rain or the other vagaries of weather, but we can tack our sails in a way that allows us to shape the direction of our lives."

"When we focus consistently on improvement in any area, we develop unique distinctions on how to make that area better."

"It's not what we do once in a while that shapes our lives, but what we do consistently."

Changes to any of these 5 building blocks can change your life, and we've covered many tools to help you do so. Take action!

The 10-Day Mental Challenge

For the next 10 consecutive days, focus *all your energy on possible solutions, not problems*. Commit not to dwell on any unsupportive thoughts or emotions. Whenever negative thoughts emerge, *catch yourself quickly* within 2mins and use the techniques you've learned to *shift to a better state* (e.g. ask good questions, change your vocab/ metaphors). If you slip up, just make a shift asap. Use this challenge to become aware of your mental patterns, train your mind to find empowering options, boost your confidence, and build new habits, standards and expectations.

Other Details in the Book to Look out For

This book is packed with more than 500 pages of insights, examples, tips, exercises and distinctions, such as:

- Many of Robbins' personal references and examples, as well as famous personalities like Donald Trump, Mother Theresa, Bill Gates, Mahatma Ghandi, Walt Disney, Warren Buffet, and Soichiro Honda;
- References to real-life economic/ social issues and scientific research; and
- A complete 7-Day success program to integrate all the components.

Robbins reinforces the ideas using different perspectives, details and analogies, all of help to bring the "aha" moment, and to inspire us to action. To get the most from the book, you'll need to examine the details, and take consistent action. Do get a copy of the book, or download the recent gift edition "Re-awaken the Giant Within".

KEY QUOTES

"Success is processional. It's the result of a series of small disciplines that lead us into habitual patterns of success that no longer require consistent will or effort."

"The mark of a champion is consistency - and true consistency is established by our habits."

"I wrote this book to be an action guide—a textbook for increasing the quality of your life and the amount of enjoyment that you can pull from it."

"The capability for greatness in anything is within you even now."

THE MIRACLE MORNING

The Not-So-Obvious Secret Guaranteed to Transform Your Life Before 8am

HAL ELROD

The Big "So What"

Many people dream of an extraordinary life, but end up settling for a mediocre one. No matter where you are in life—whether you're struggling to overcome a major setback or ready to move to new heights—this book provides you with a proven method to improve your life and achieve all your dreams and goals.

Introduction

When we look at newborn babies, we believe that they can grow up to be whoever and whatever they want to be. Yet, when we grow up, we settle for less than what we want.

- Many people are unhappy with their lives—from their jobs to their weight, finances and relationships. Or, they may excel in 1 area of their life (e.g. career) and *settle for mediocrity* in other areas. Take a minute to rate each aspect of your life, e.g. love, money, success, health, happiness, and freedom. Are *you* living at Level 10 in every area of your life?

- *Living to your full potential* means thriving in *every* aspect of your life and fulfilling *all* of your goals and dreams. In this book, Elrod shares how he bounced back from death, crippling injuries and career setbacks, and how he used The Miracle Morning (TMM) to unlock his full potential. This approach has been used by thousands of people from all walks of life. No matter how bad your circumstances are, the tips in this book will help you enjoy more energy, vitality, joy, motivation, and productivity. Use them to turn around any area of your life.

KEY QUOTES

"You can become one of the few people that actually live the extraordinary life all of us deserve. Happiness. Health. Money. Freedom. Success. Love. You really can have it all."

"Know that wherever you are in your life right now is both temporary, and exactly where you are supposed to be."

In this summary, we'll share about:

- Elrod's personal journey;
- His insights on what it takes to live to your full potential; and
- How to design your Miracle Mornings with the 6 Life S.A.V.E.R.S.

Waking up to your True Potential

You can overcome any obstacle in your life

In 1999, at the age of 20, Elrod had a serious car accident and was clinically dead for several minutes. When he woke up after 6 days in a coma, he was told that he had broken 11 bones, suffered permanent head damage, and may never walk again.

- Elrod was devastated. But he eventually realized that lamenting his tragedy wouldn't change anything. He decided to embrace his new reality and make the best of his situation instead.
- As he recuperated, Elrod returned to his sales job. By 2005, he had moved up into a managerial role and was leading a top sales team. Yet, he was still far from realizing his full potential. That year, he made a firm commitment to double his sales and finish writing the book that he had been putting off. He achieved both his goals. The book made it to Amazon's bestseller list, but unfortunately, his publisher ran away with the royalties. Still, Elrod remained unfrazzled, believing he could turn any trial into triumph.

Yet, when the US economy crashed in 2007, Elrod finally fell into despair. By then, he had successfully made the leap into professional coaching (something he truly loved). His business collapsed during the crisis and he was laden with $425,000 debt. Unlike the car accident (when he was surrounded by love and support), this time he was on his own since

KEY QUOTES

"Even when life is difficult or challenging—especially when life is difficult and challenging—the present is always an opportunity for us to learn, grow, and become better than we've ever been before."

"Everything happens for a reason…it is our responsibility to choose the most empowering reasons for the challenges, events and circumstances of our lives."

"Anything is possible when you're committed."

everyone was struggling with their own problems. After 9 years of rebuilding his life and successes, he had fallen once again into mental, emotional and financial ruin. Elrod lost all hope. He struggled to get out of bed each morning and even contemplated suicide.

His turning point came in 2008, when he took his friend's advice to go for a morning run.

- As he ran, he listened to a personal development audio by Jim Rohn, and a message clicked home. Elrod realized that he wanted Level 10 successes, but had been unable to achieve them because his own personal development was only at Level 3 or 4. There was a huge *potential gap* between where he was and where he could be.

- He decided to devote an hour each morning to develop himself, and the results were so amazing that he coined it *The Miracle Morning (TMM)*. Soon, he was sharing TMM with his coaching clients, who in turn shared it with their friends. TMM has since become a global movement as people awakened to its life-changing impact.

KEY QUOTES

"There is no point in dwelling on or feeling bad about the aspects of our lives that we can't change. By focusing on what we can learn from our challenges and how we use them to add value to the lives of others, we can turn any adversity into an advantage."

Getting to the top 5%

One of the hardest things to do is to overcome our own excuses. This is why only 5% of people gain financial success and freedom, while the large majority struggle their entire lives.

95% of people will stay average. Every one of us is worthy of phenomenal success. Yet, the average person isn't willing to take responsibility for his life and consistently do the things he knows he should. Sadly, this 95% will include most of your friends and family. But when you live to your full potential, you'll naturally create positive ripple effects on those around you.

Know what it takes to overcome mediocrity:

- We wrongly assume that our past defines who we are and what we can achieve in the future. We set artificial limits by telling ourselves "I can't do this", "I've never tried that", or "I'm not that kind of person". Elrod calls this the

"Being average means to settle for less than you truly want and are capable of, and to struggle for your entire life."

"We all know what we need to do; we just don't consistently do what we know."

"Where you are is a result of who you were, but where you go depends entirely on who you choose to be, from this moment on."

"*Rearview Mirror Syndrome*" (RMS). Remember: your past doesn't define your future. You can achieve *anything* if you truly commit to it.

- Most people lack a *higher purpose in life*. They're simply surviving each day, doing whatever gives them the most short-term pleasure or the least pain. If you don't know your purpose yet, just start by picking any purpose (e.g. to help 5 people daily, or to become the best version of yourself). As you grow and change, your purpose will likewise evolve.

- Don't dismiss your daily actions and decisions as *isolated one-off events*. In reality, everything you do (or don't do) matters. When you skip a workout, take a shortcut, or press the snooze button, it all adds up to define who you become, which in turn decides the life you'll have.

- *Accountability* is about making yourself responsible to someone, so you'll take action even if you don't feel like it. Every successful person practices accountability. Without it, you'll simply end up on the path of least resistance. Get an accountability partner, e.g. a friend, colleague, family member or someone from The Miracle Morning Community (MyTMMCommunity.com).

- You become the average of the 5 people you spend the most time with. If you're surrounded by positive, motivated achievers, it'll rub off on you. The same happens if you're surrounded by negative, lazy people. Keep elevating your *circle of influence*. Proactively seek out people who bring out the best in you and can help you to achieve your goals. Add value back to them in return.

- According to Jim Rohn, your level of success can never exceed your *level of personal development*. Who you are on the inside (including your beliefs, perspectives and attitudes) decides how you think and act, and thus the results you achieve. In short, your outer world is a reflection of your inner world. Define what your Level 10 life—be it physical, intellectual, emotional and spiritual—should look like, then keep working toward it.

- Don't procrastinate. Inject a *sense of urgency* and start now.

KEY QUOTES

"Focus on growing and being the best you can be, pursuing your dreams and inspiring others to do the same. That's your purpose."

"Who you're becoming is far more important than what you're doing, and yet it is what you're doing that is determining who you're becoming."

"It is often said that 'misery loves company', but so does mediocrity. Don't let the fears, insecurities, and limiting beliefs of others limit what's possible for you."

"Our levels of success will rarely exceed our level of personal development, because success is something we attract by who we become."

Make a firm decision to live your life differently. Ultimately, the difference between excellence and mediocrity is what you do each day to improve yourself.

- Stop settling for less and start devoting time daily to make things happen. *Make that commitment today*.

- Like most people, you may be thinking, "I have no time". Well, your life is much more than your current circumstances. If you continue in survival mode, you'll just keep struggling. Alternatively, you can decide to *create time*: commit to wake up 1 hour earlier and devote that time to develop yourself for success.

The Power of Waking Up Right

How you wake up and start your day has a disproportionate impact on how the rest of your day unfolds. To wake up right:

- *Don't snooze your alarm*. That sends the signal that you don't want to wake up, and you begin your day with resistance. When you wake up purposefully with a bounce in your step, it'll set an entirely different tone for your day.

- *Manage your energy levels, not your sleep hours*. Elrod found that the number of hours he slept mattered less than his expectations of how he'd feel. If he went to bed thinking he'd be tired in the morning, he'd feel tired even with 8-9 hours of sleep. But, if he told himself he'd wake up feeling energized, he'd feel revitalized even if he slept just 5 hours.

Use this 5-step strategy to wake up without snoozing:

- Set the *right intentions before you sleep*. Often, your last thought at night is the first thing you remember in the morning. Use the free Bedtime Affirmation from TMMBook.com to condition your mind, so you'll wake up feeling fresh and energized.

- *Place your alarm clock* far from the bed, so you're forced to get up and move. This generates energy to wake you up.

KEY QUOTES

"Today you can draw your line in the sand. You can decide that mediocrity is no longer acceptable for you…You can choose to become the person you need to be to create the extraordinary life that you truly want."

"The tone of our morning has a powerful impact on the tone of the rest of our day."

"Waking up early, especially when done with purpose, always starts you off feeling empowered for your day."

- Once you've turned off your alarm, go straight to the bathroom and *brush your teeth*. Splash some water on your face.

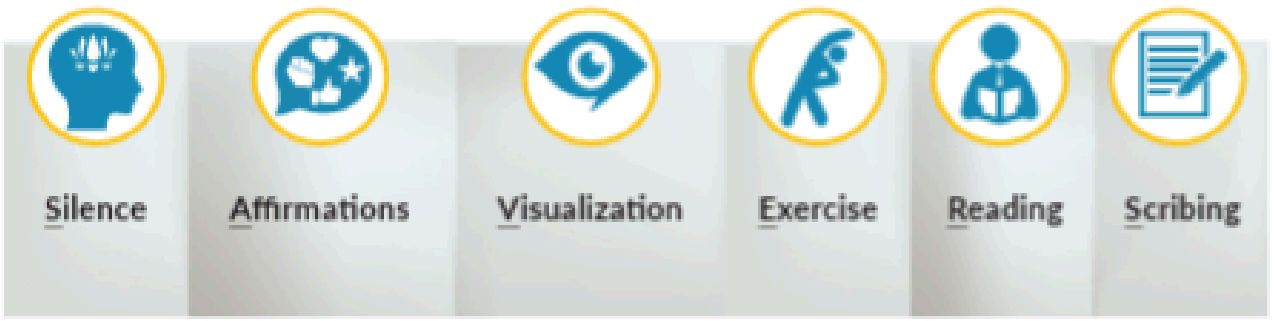
- Drink a *full glass of water* to hydrate and energize yourself.

- *Take a shower or get dressed*.

The Miracle Morning: 6 Life S.A.V.E.R.S. Practices

The Miracle Morning is simply about waking up an hour earlier and devoting that time to develop yourself. Use the 6 Life S.A.V.E.R.S. to transform your inner world, and you'll automatically transform your external circumstances. This approach works for everyone, regardless of your schedule or whether you're a "morning person". You can set aside 10mins for each component, or customize the routine according to your lifestyle and goals.

THE 6 LIFE S.A.V.E.R.S



Practice #1: Silence

Start your morning with purposeful Silence: center yourself and create an optimum frame of mind to face the rest of your day. When you deliberately silence your mind, it creates many health and performance benefits, from stress reduction to better concentration and metabolism. It also improves self-awareness and clarity. Instead of feeling hectic, stressed or lethargic, you'll find yourself feeling calm, peaceful and rejuvenated.

KEY QUOTES

"Our outer world will always be a reflection of our inner world. Our level of success is always going to parallel our level of personal development."

"You can learn more in an hour of silence than you can in a year from books."
—Matthew Kelly

- Elrod personally combines *several components* for this practice: meditation, prayer, reflection, deep breathing and gratitude. You can mix and match them as you wish.

- There are *2 types of meditations*: (i) guided meditations (where you direct your focus by listening to someone's instructions) and (ii) self meditations (where you do it alone without assistance).

Here are the suggested steps for your Miracle Morning meditation:

- *Prepare yourself mentally*. Be fully present in the now, letting go of your worries of the past or future. Allow yourself to just "be", without the compulsive need to think or do something.

- Find a *quiet and comfortable location*. Don't do this in bed. Ideally, have a place outside your bedroom (e.g. your living room sofa) that you can use every morning.

- *Sit upright and cross-legged*. You can use a chair or pillow for extra comfort. Close your eyes or focus on the ground 2ft ahead.

- *Focus on your breathing*. Breathe slowly and deeply into your belly (not your chest). Inhale from your nose for 3 seconds, hold it for 3 seconds, then exhale from your mouth for 3 seconds. If any thoughts pop up, just acknowledge them, let them go, and refocus on your breathing.

- *Enjoy this time with yourself*. You can imagine inhaling soothing, positive energy, and exhaling stressful, negative energy. You can also incorporate words of what you'd like to receive from or give to the world e.g. "I breathe in love... I breathe out peace."

Practice #2: Affirmations

All of us have certain sub-conscious programming that shapes what we believe, think, feel and act. This is often reflected in the non-stop chatter in your head. Your self-talk—both

KEY QUOTES

"Think of daily meditation as a temporary vacation from your problems. While your problems will still be there... you'll find that you are much more centered and better equipped to solve them."

positive and negative—has a huge impact on your state of mind, performance and results.

- Successful people make a conscious effort to manage that inner voice. They use affirmations to *shape their mindset*. When you tell yourself "There's nothing I can do" or "This is beyond me", you feel and act differently from when you tell yourself "I am in control of my destiny!" or "I'm committed to do whatever it takes to make things happen!"

- For years after his car accident, Elrod told himself that his memory was bad due to his brain damage. Yet, after a period of *daily affirmations*, his memory actually improved. His affirmation went like this: "I am letting go of the limiting belief that I have a horrible memory. My brain is a miraculous organism capable of healing itself, and my memory can improve, but only in proportion to how much I believe it can improve. So, from this moment on, I am maintaining the unwavering belief that I have an excellent memory, and it's continuing to get better every day."

You can use affirmations to re-program yourself to become who you want to be—to be healthier, wealthier, be great with people etc. Design your affirmations according to your goals. Write them out explicitly and read them daily, ideally out loud. You must repeat it until your subconscious mind starts to believe it and triggers action to make it a reality.

Create your affirmations with these 5 steps:

- Get clear on *what you truly want*. Start by writing down your ideal vision for every aspect of your life, including your relationships, finances, physical, mental and emotional health.

- Understand why you want what you want, i.e. *what's driving you*. A clear life purpose helps you to rise above petty daily issues.

- Define *the kind of person you must become* in order to achieve your goals (e.g. determined, confident, teachable).

- Define *what you're committed to do* to achieve your goals. Be specific: indicate the frequency, quantity, and duration of your actions, e.g. "I am 100% committed to run for

KEY QUOTES

"It's the repetition of affirmations that leads to belief. Once that belief becomes a deep conviction, things begin to happen."
—Muhammad Ali

"Your life gets better only after you get better....Being (who you need to be) and doing (what you need to do) are prerequisites for having what you want to have."

20 min in the park 2 days a week". Start small, so you'll feel good about completing the actions, then gradually increase them over time.

- Write down *inspiring quotes or ideas* so you can progressively integrate them into your affirmations.

Here are some additional tips on affirmations:

- Affirmations are the most effective when you connect them with your *emotions and physiology*, i.e. you connect your mind, heart and body. Tune in to feelings of hope, love, or excitement. Shout out loud or even dance around.

- Read your affirmations daily and *update them* as you evolve.

Practice #3: Visualizations

Visualizations are about imagining certain activities or outcomes in your mind, and mentally rehearsing them until you can create those results in the real world. They're regularly used by athletes and successful people, including Tiger Woods, Tony Robbins, Will Smith, and Bill Gates. Daily visualizations align your thoughts and feelings with your vision, help you to overcome self-limiting beliefs and habits, and thus increase your likelihood of taking the actions to make the vision a reality.

You can apply this 3-step process for your Miracle Morning visualization, straight after reading your affirmations.

- *Prepare* by sitting upright and comfortably. You can play soft background music if you wish. Take slow/deep breaths, close your eyes and still your mind.

- *Visualize what success looks and feels like to you*. Create a crystal-clear picture of exactly what you want. What would life be like if you could truly have anything you wanted? Use all your senses to see, hear, feel, smell and sense every tiny detail in your vision—experience what it's like to have achieved your goals.

KEY QUOTES

"See things as you would have them be instead of as they are."
—Robert Collier

- *Visualize the person you must become and what you must do*. Imagine yourself taking the necessary actions to achieve your vision. See yourself doing those things with ease, passion and confidence, smiling and enjoying what you do. Visualize positive responses from your family, friends and colleagues.

Here are some additional tips on visualization:

- The more *viscerally* you can see what you want, the more effective your visualizations will be.

- You can also create a *vision board* with pictures of your ideal life. But remember: there can be no results without action.

Practice #4: Exercise

Exercise is crucial for your health, well-being and productivity. Even a few minutes of exercise each morning can significantly improve your energy levels, health and concentration.

Choose the form of exercise that works for you, be it walking, running, doing jumping jacks etc. Elrod recommends yoga, which combines cardio with strength, flexibility and focused breathing.

Practice #5: Reading

Reading is one of the fastest ways to learn from people who've already achieved what you aspire to achieve. No matter what aspect of your life you wish to improve—be it wealth, relationships or career—there are great books that can teach you exactly how to achieve results.

Fill your mind with positive inputs. Elrod recommends reading a minimum of 10-15 minutes a day (or about 10 pages). You can also use your Miracle Morning to read your religious texts.

KEY QUOTES

"Vision boards are for dreaming, action boards are for achieving."
—Neil Farber

"The fastest way to achieve everything you want is to model successful people who have already achieved it."

"Reading is to the mind what exercise is to the body and prayer is to the soul. We become the books we read."
—Matthew Kelly

If you don't like reading, remind yourself *why* you're reading that book. Highlight, underline, circle and make notes as you read. Make it a point to re-read, apply and master good strategies that you've learned.

Practice #6: Scribing

Make it a daily habit to document your ideas, insights, achievements, breakthroughs or opportunities. Journaling helps you direct your thoughts consciously and put them in writing. This creates several benefits:

- Often, the very act of writing down something forces you gain *clarity* and think differently about a problem;
- It allows you to capture and expand on your *ideas*; and
- When you review your progress and lessons learned, it helps to accelerate your *personal growth*.

Use these 3 steps to journal more effectively:

- Choose between a *digital format* (typing digitally) or *traditional format* (writing by hand), based on your personal preferences.
- *Get your journal*. You can download digital apps, including the TMM Journal. For traditional journals, go for something that's lined and dated, so you have space to write for 365 days.
- *Decide what to write*, e.g. your goals, plans, gratitude entries, accomplishments, areas of improvement, commitments, and reflections.

Review your journal at least once per year. It helps you to revisit your thoughts and actions for the past year so you can see how much you have grown and accomplished.

- To *gain the most from your reviews*, list down:

  (i) People, events and lessons that you're grateful for;

KEY QUOTES

"Ideas can come from anywhere and at any time. The problem with making mental notes is that the ink fades very rapidly."
—Rolf Smith

"By getting your thoughts out of your head and putting them in writing, you gain valuable insights you'd otherwise never see."

(ii) Key lessons you've learned; and

(iii) New commitments you'd make to apply those lessons.

- To stay motivated, adopt a balanced perspective of your *potential gap*:

(i) Celebrate your progress, accomplishments, and the things you're grateful for; and

(ii) Identify the key lessons learned and commit to apply them so you can steepen your learning curve.

Installing your Miracle Morning Habit

Customize your routine

You're free to tailor and optimize your routine any way you like:

- Adjust your *start-time* according to your work schedule. If you're on shift-work, just wake up 30-60 min earlier than usual each day.

- Ideally, drink a full glass of water first thing in the morning, then eat *after* your Miracle Morning. Go for *living foods* (e.g. fresh vegetables and fruits) if possible.

- *Align your routine with your goals and dreams*. If your priority is to finish writing your book, then link your affirmations and visualizations to the ease, enjoyment and satisfaction of writing and finishing your book. Always do the hardest things first to get them out of the way.

- *Test different variations* to see what works best for you. Try doing the Miracle Morning daily vs taking the weekend off to rest. You can also allocate more time for certain practices (e.g. reading/exercise) relative to others. Modify your routine to keep things fresh or as your goals evolve.

KEY QUOTES

"Whether you realize it or not, your life has been, and will continue to be, created by your habits. If you don't control your habits, your habits will control you."

The key is to be consistent. Even on days when you're very busy, you can still do a compressed 6-minute Miracle Morning, with 1 minute for each Life S.A.V.E.R.S. practice.

Build Life-Transforming Habits in 30 Days

Human beings are creatures of habit, and old habits are hard to break. According to different experts, habits-formation can happen any time between 1 day (via hypnosis) to 21 or 90 days. Based on Elrod's experience with his clients, 30 days is a good duration for develop your Miracle Morning habit. The key is to have a proper strategy for installing the habit:

- *Phase 1 (Days 1-10): Intolerable*. The initial period will feel unbearable, but it's temporary and will pass.
- *Phase 2 (Days 11-20): Uncomfortable*. The next 10 days will be easier, but you'll still need discipline to push past the discomfort.
- *Phase 3 (Days 21-30): Unstoppable*. These last 10 days are vital for reinforcing and sustaining the new habit. This is when you start to associate positive feelings (pride, satisfaction) with the habit, and shift from hating it to enjoying it. The real transformation happens when you see the habit as a part of your identity or who you're becoming.

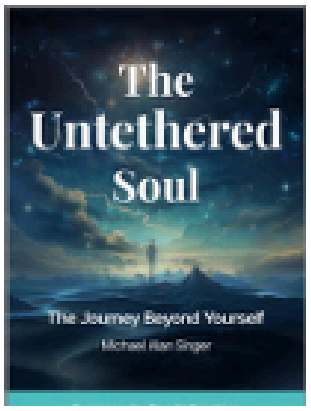
Use The Miracle Morning 30-Day Life Transformation Challenge (LTC) to install your new habit. Download the free LTC Fast Start Kit from TMMbook.com and follow the instructions there.

Thousands of people have transformed their lives with TMM, and so can you. The key is to start ***now***. Don't wait. Get an accountability partner *immediately* to ensure you follow up on your commitment.

KEY QUOTES

"In the next 30 days you'll find yourself quickly becoming the person you need to be to create the extraordinary levels of personal, professional, and financial success you truly desire."

"Everything is difficult before it's easy. Every new experience is uncomfortable before it's comfortable."



THE UNTETHERED SOUL

The Journey Beyond Yourself

Michael Alan Singer

The Big "So What"

In this book, Michael Singer takes us on a journey inward to discover our true selves. It's an essential read for anyone seeking self-awareness, inner peace, and spiritual awakening.

Introduction: Discovering Your True Self

To be true to yourself, you must first define what "self" means.

- Our concept of self is complex and often muddled. Sigmund Freud suggested that the human psyche can be divided into 3 parts: (i) the ID (the primal part of us), (ii) the superego (the logical part conditioned by society), and (iii) the ego (which balances the other 2 parts and selectively presents a part of ourselves to the outside world).

- The book serves as a mirror to help you look inward, sort through the confusion and distractions, and find your true self. Once you've connected with your real self, it's up to you to decide what to with that knowledge.

In this summary, we'll present the key concepts, insights and practices in 5 parts.

KEY QUOTES

"This above all: to thine own self be true."
—William Shakespeare

"Once refocused, you will realize that you not only have the ability to find yourself, you have the ability to free yourself. Whether you choose to do so or not is entirely up to you."

1. Awaken Your Consciousness

Separate your Self from your Mental Noise

We talk to ourselves all the time. You are constantly sharing observations, judgments, and even arguing with yourself ("Can you shut up, I'm trying to sleep!")

- Yet, if you listen carefully, you'll notice that *most of the words are pointless*. Thinking about the weather or traffic doesn't change anything; it only makes you feel better or worse about stuff.

- Don't get tangled up with what the voice is saying, nor try to dissect what's good or bad about it. *Just observe that it's there*, like noise in the background.

Singer suggests that this voice is your mind's way of protecting you and giving you a sense of control.

- You can't directly control the outside world, so you control your inner narrative by saying things like "It's freezing out here, but I'll be warm once I get home."

- You don't experience the world directly. All external stimuli are filtered through your mind and presented in a way that fits your past experiences and future expectations. In other words, *you're living in your mental version of reality*.

A key to personal growth is to separate yourself from the mental noise. Get to know the real "you"—which is the person watching and listening to the voice in your head.

- *You're not the voice; you're the one listening to it*. None of the mental chatter—be it the good or bad stuff—defines you.

- Seek to observe the world without filtering it through your narrative. You'll start to *see things as they are*, and realize that the problem isn't with life but the fuss we make about it.

KEY QUOTES

"Billions of things are going on in this world. You can think about it all you want, but life is still going to keep on happening."

"Reality is just too real for most of us, so we temper it with the mind."

"There is nothing more important to true growth than realizing that you are not the voice of the mind—you are the one who hears it."

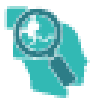
"The real cause of problems is not life itself. It's the commotion the mind makes about life that really causes problems."

Ignore your Neurotic Roommate

To distance yourself from your inner dialogue, imagine the voice as a separate person, like a roommate living in your head.

- *Personify this voice* and imagine what it's like to have this person living with you—someone who's endlessly judging, criticizing, nitpicking, making demands, and can never be satisfied. Most of what this person says is also wrong or unhelpful.

- Right now, you're trapped in your mind with this neurotic person. To *regain control of your mind and life*, you must free yourself from your roommate's melodrama.



When something bugs you, don't rush to fix the problem. Instead, ask yourself, "Which part of me is bothered by this?" Often, the solution lies in changing your perspective, not fixing things in the outside world.

- Imagine you're feeling angry with a co-worker who keeps interrupting you during meetings. Instead of assuming she's at fault, ask yourself, "Why does the interruption bother me so much?" You might find that your anger comes from a deeper sense of being undervalued, which could've stemmed from being disregarded in the past.

A "worldly person" tries to solve problems by fixing things in the outside world. A "spiritual person" understands that real peace comes from within. By engaging in yoga—in its traditional role as a spiritual discipline rather than a form of physical exercise—you can free yourself from your inner voice and move toward spiritual awakening.

Discover Who You Truly Are

Yogi and philosopher Ramana Maharshi said that the key to attaining inner freedom is to deliberately and continuously ask yourself, "Who am I?"

- You're not your *name, job, or life story*. Those are just labels, so who is the person experiencing those things?

KEY QUOTES

"The very fact that you can see the disturbance means that you are not it. The process of seeing something requires a subject-object relationship."

"As it is right now, your life is not your own; it belongs to your inner roommate, the psyche. You have to take it back."

"Maintaining objective awareness of the inner problem is always better than losing yourself in the outer situation."

"Your will is stronger than the habit of listening to that voice. There is nothing you can't do. Your will is supreme over all of this."

"There is nothing higher or deeper than consciousness. Consciousness is pure awareness."

- You're also not your *physical traits* (e.g. height or weight), since those traits keep changing. So who is the unchanging "you" experiencing all those physical traits?

- Whether you're *dreaming or awake*, there's a continuity in your consciousness. It's the same "you" who dreams, moves, and reads these words. Who is that "you"?

- You're also not your *thoughts or emotions*, which change constantly in response to internal/external factors. In the absence of thoughts (e.g. when you're in deep meditation), you're still aware of what's going on. So who is behind those thoughts and emotions?

To find the answer, you must reflect deeply on questions like, "Who sees when I see? Who hears when I hear? Who knows what I know?" As you peel away each layer, what eventually remains is your conscious awareness—the part of you that notices everything.

- Without your awareness, "you" wouldn't exist. Your true self is *the unchanging observer* who sees every internal thought and emotion, and every external object and event.

- When you look around a room, you take in everything instantly, without conscious thought. That's the part of you that is *effortlessly aware*. You can't describe everything you perceive in words, just like how you can't describe your existence. You simply exist.

Become Conscious of your Consciousness

In a lucid dream, you're aware that you're dreaming. In daily life, you can also observe yourself experiencing various events, thoughts, or emotions, instead of being totally immersed or lost in them. This is what it means to be "conscious".

Consciousness can focus on anything, from external objects to your own thoughts. For example, you can get so absorbed in a book that you forget everything else. After you close the book, you zoom out and notice the rest of the room again. All the while, you're in your "seat of consciousness", watching the layers of experiences unfold.

KEY QUOTES

"Just as the sun does not leave its position in the sky to illuminate objects with its radiating light, so consciousness does not leave its center to project awareness onto the objects of form, thoughts, and emotions."

- Your inner world is like a personal TV show with familiar thought and emotional patterns. You get so used to this *internal drama* that you forget you're just there as an observer.

- On a larger scale, life is like a movie that draws you in through various senses (e.g. sights, sounds, smells). You get so immersed in the experiences that you start to identify with them, *forgetting your true self*.

- To *reconnect with your true self*, repeatedly say "hello" internally until you're aware of it. This brings you back to the core of inner awareness.

Real meditation isn't just about focusing on an object or thought. It's about contemplating your consciousness itself, so you become aware of your awareness.

- When you focus on consciousness instead of personal experiences, *you move from finite to infinite*. You're not just a human being experiencing life; you're consciousness observing a human experience. Worldly problems cease to be problems, since they're just phenomena that you observe.

- You're no longer limited to the thoughts/emotions of 1 person, and can perceive the vastness of everything. At this point, when you return to the question of "Who am I?" you'll realize that there's no intellectual answer. Instead, *you are the answer*.

2. Unblock your Flow of Energy

You Have Infinite Internal Energy

Each of us has a huge, but often untapped, source of internal energy flowing within us.

- Imagine you're a teenager and your girlfriend just broke up with you. You feel so drained that you can barely get out of bed, and no amount of food seems to help. Then, your girlfriend says she wants you back, and suddenly you're back on your feet filled with energy. *Where did all that energy come from*?

KEY QUOTES

"What differentiates a conscious, centered being from a person who is not so conscious is simply the focus of their awareness."

"[Consciousness is] just there, aware that it's aware."

"There is a source of energy you can draw upon from inside. It is distinct from the outer energy source."

- This energy doesn't come from sleep or calories, but from a *deeper internal source*, fueling every thought, emotion, and action. You use this energy whenever you resist distractions or suppress your emotions.

- Your internal energy is known by many names, such as *Chi, Shakti, or Spirit*. It's the surge you feel when your heart is filled with love, or when excitement bubbles up inside you. It has healing properties, explaining why love can be so healing.

- The energy is channeled through your heart and other centers known as "*chakras*". When your channels are open, energy flows freely and you feel unstoppable. When they're closed, you feel disturbed or lethargic.

This energy is boundless, and it's available to everyone regardless of age or background. It thrives on openness and receptivity. But, we often block the energy by shutting our hearts or minds.

- Our tendency to open or close is *programmed from past experiences*. For example, a certain color, smell, or image may trigger a negative memory that causes us to close up. We open up when we "like" something, and close up when we "dislike" something.

- Once you're aware of this, you can *choose to stay open and receptive* to all of life's experiences. When you feel yourself resisting something, deliberately pause, relax, and respond with an open heart and mind. The more you stay open, the stronger the energy flow becomes. Eventually, it overflows and radiates from you to positively impact others around you.

Keep Your Heart Open

Your heart is more than just a physical organ; it's a powerful conduit that can resonate with complex emotions and experiences.

- Your heart is a major energy center or a chakra. It can *open or close like a valve* to regulate the flow of emotional energy, bringing feelings of love, hurt, emptiness, and so on.

- We take in external experiences in the form of energy patterns, such as light and sound waves received through our

KEY QUOTES

"You have a phenomenal amount of energy inside of you…It gushes up spontaneously from deep inside and restores, replenishes, and recharges you."

"You have a wellspring of beautiful energy inside of you. When you are open you feel it; when you are closed you don't."

"What it means to live life is to experience the moment that is passing through you, and then experience the next moment, and then the next."

eyes and eyes. Energy must remain in motion, and such experiences should ideally *flow through us* without leaving lasting impressions, like the trees and buildings we notice daily.

Blockages occur when we fixate on certain experiences, causing them to linger and disrupt our emotional state.

- Unresolved energy patterns from past experiences get stored as *Samskaras or energy blockages* in the heart. When enough impressions build up, the heart and mind get so blocked that everything seems dark, and depression sets in. We also cling to positive memories from the past, repeatedly playing them in our minds.

- Samskaras can *resurface later*, triggering old emotions and thoughts. Imagine you're walking through a park when you hear a song that was playing during a major argument many years ago. The song is just background noise to other people, but for you it triggers a rush of vivid feelings and images.

To let go of these blockages, you must process and release old energies as they resurface.

- As old feelings or memories come up, don't resist or avoid them. Just *stay open*, allow the heart to release the stored patterns and cleanse itself. Smile, relax, accept the stored pain (instead of resisting it), and let it go.

- When your heart *neither resists nor clings to the past*, it can continuously experience love, inspiration, and openness in the moment. This is the heart's natural, optimal condition.

Choose Not To Close Up

In modern societies, most people don't lack basic necessities like food and water, nor do we face regular life-threatening dangers. So, we focus our survival instincts on defending our psychological selves.

- In face of uncomfortable situations, we escape by *withdrawing internally*, closing off our energy centers to protect our ego or self-concept. In so doing, we trap the insecurities and fears within us, blocking personal growth and creating stagnation.

KEY QUOTES

"You have to decide if you want to continue to walk around with stored pain blocking your heart and limiting your life."

Personal growth and fulfillment comes from accepting and unifying all parts of yourself, including the parts you don't like.

- Observe your responses to people and events. Whenever you feel defensive, you'll notice a *sense of tightening* within.
- Don't follow the pull of these energies, nor try to fight them. Just *relax and release*. Turn it into a game, where the goal is to stay unbothered by life's small annoyances.
- Imagine that a colleague dismisses your idea at a meeting, and you feel embarrassed. Instead of dwelling on your feelings or mentally defending your idea, notice the shift in your energy and *consciously let it go*. Practice this until it becomes your natural state, and you're truly free to experience life.

3. Free Yourself to Live and Grow

Let Go to Rise Up

When you try to avoid or control something out of fear or insecurity, you get pulled into those negative energies. You fall from your seat of consciousness, and no longer see things with calm detachment.

- From the perspective of fear, everything seems darker and more threatening. You're more likely to respond defensively and trigger negative reactions in a *downward spiral*.

To break the cycle and elevate yourself spiritually, you must recognize and work through the blockages that cause fear.

- Seek to *let go of fears and disturbances* the moment you notice them. Stay centered in your awareness, observe the disturbances without getting entangled in them, then release them.
- The more you delay the release, the harder it becomes. Once you realize that you've fallen into fear or negativity, just *get up, let go, and learn* from the experience. Don't blame yourself or try to rationalize things as it will drag you back down.

KEY QUOTES

"Real spiritual growth happens when there is only one of you inside...All parts are unified. Because there is no part of you that you're not willing to see, the mind is no longer divided into the conscious and subconscious."

"If you don't really want it, then don't protect it. The reward for not protecting your psyche is liberation."

"Life is actually trying to help you. Life is surrounding you with people and situations that stimulate growth."

"Getting involved in the darkness does not dispel darkness; it feeds it."

"That which is holding you down can become a powerful force that raises you up. You just have to be willing to take the ascent."

Remove the Internal Thorns

Imagine a thorn in your arm that causes a sharp pain when it's touched. You have 2 choices:

- You can avoid anything that might touch the thorn, such as staying away from crowded places or wearing a protective device on your arm. In your effort to *avoid the pain*, you end up building your life around the problem.

- Or, you can simply *remove* the thorn so it no longer bothers you.

Our internal thorns (painful thoughts and emotions) are merely old, blocked energies. Instead of avoiding or suppressing them (thus pushing the thorns deeper), acknowledge and release them.

- You're not your pain or stress; you're Awareness observing it. Once you can *notice yourself observing those painful feelings*, you'll be free from them. You'll realize that feelings are just another "thing" in the universe, like cars or trees.

- The more time you spend in self-awareness, the more you start to experience a new positive energy—Shakti or Spirit—flowing from within. This is the essence of *becoming a free and transcendent being*.

Choose to Stop Suffering

To free yourself from suffering, you must first choose not to suffer. The harder you try to avoid/control fears, insecurities, or inner pain, the more they weigh you down.

- The root cause of our suffering lies in our *sense of inadequacy*, which manifests as insecurity, anxiety, and self-consciousness. We want everything to fit our expectations, for everyone to like us, and to never get hurt. Our mind races non-stop to find ways to fulfill these wishes, but it's impossible.

KEY QUOTES

"In the deepest sense, you free yourself by finding yourself."

"Awareness does not fight; awareness releases...That's how you become a free being—you transcend."

"The prerequisite to true freedom is to decide that you do not want to suffer anymore."

Things become ok the moment you center yourself, stop fighting reality, and decide to be ok with everything. It's that simple.

- To stop being controlled by your psyche (the neurotic roommate in your mind), stop listening to it. Simply *observe your thoughts quietly* without getting involved. Realize that the mind's melodramas serve no purpose at all, choose to distance yourself from the mental noise, and let go of whatever's disturbing you.

- Designate moments in your regular day (e.g. as you enter and exit your car) to pause, center yourself, and become aware of your internal/external state. With practice, you'll find it easier maintain a state of *centered consciousness*.

Accept Momentary Pain to Attain Freedom

Change is uncomfortable as it pushes us beyond our comfort zones and our habitual need for safety and control. Yet, there can be no growth without change.

- If you look deeply, you'll find a *core of pain* in your heart. We create layers of "protection", such as external appearances or social acceptance, to distance ourselves from the pain. But, the more you try to hide from the pain, the more easily you're unsettled by the smallest triggers.

- Our efforts to avoid pain often end up *creating even more pain*. For example, if you approach someone with a fear of rejection, you're likely to over-react to every perceived slight, increasing the chance of rejection. Avoiding pain also limits our ability to explore and grow beyond our current self.

True growth comes from facing and dealing with inner pain, so you free yourself from the shackles of fear and anxiety. See any inner pain or disturbance as a temporary shift in energy. As you relax and allow it to pass through you, you might feel an intense, burning sensation. Embrace it as part of the transformative process.

KEY QUOTES

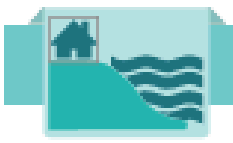
"That's how you get out. You just let it go."

"Just watch the mind talk, and keep relaxing and releasing. Fall behind the noise."

"Life is continuously changing, and if you're trying to control it, you'll never be able to fully live it."

"Real growth takes place when you finally decide to deal with the pain. Because the pain is at the core of the heart, it radiates out and affects everything you do."

4. Go Far Beyond Yourself



Dismantle the Self-Made Walls

As you grow spiritually and take a deeper seat within yourself, it becomes easier to observe your stream of thoughts, emotions, and sensory experiences. You realize that you're separate from the mental-emotional turmoil you used to identify with, and are now ready to break your psyche's grip on your consciousness.

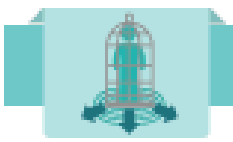
- *Imagine your psyche as a house* that you built and furnished with your past experiences, beliefs, opinions, fears, hopes, and dreams. Over time, you become so comfortable in this house that you can't imagine stepping outside.

- You defend this house (your psyche) vigorously, patching up its walls against any perceived threat. To enjoy freedom and the fullness of life outside, you must *let go of the walls* you've constructed and expose yourself to the broader reality.

Enlightenment isn't a distant, mythical state. It's attained by breaking down the mental-emotional walls instead of reinforcing them in your daily life.

- Choose to stop maintaining or defending the *psychological fortress* that's keeping you in the dark.

- Picture your mind as a house amidst an ocean of light. Let the walls of limiting thoughts and experiences crumble away, so your consciousness can *expand and merge with the vast reality* that has always been there. This is how you reach enlightenment.



Keep Moving Beyond Existing Limits

Our perceived limits come from our mental boundaries.

- Our logical mind finds it hard to grapple with the vastness of the infinite universe, so it *creates a sense of control* by

KEY QUOTES

"True freedom is very close; it's just on the other side of your walls."

"The soul is infinite. It is free to expand everywhere. It is free to experience all of life. This can only happen when you are willing to face reality without mental boundaries."

breaking the world into manageable pieces, including our views and beliefs.

- To transcend existing limits, you must *let go of existing mental constructs*. Accept reality as it is, not as you wish or expect it to be.

When you're spiritually awakened, you realize that you've been caged by your fears and comfort zone.

- Each time you approach your limits, you feel uncomfortable. It's like *bumping against the bars* of a cage charged with electricity, so you pull back and retreat to "safety."

- Your psychological boundaries can't truly hurt you, and it's possible to push beyond the bars. Just relax, resist the urge to pull back, and *move past the discomfort*.

- Spiritual growth comes from a *lifelong commitment* to keep facing your discomfort and pushing past those limits.

KEY QUOTES

"A cage by any other name is still a cage. You must be willing to go beyond."

Let Go of your Self-Concept and Mental Models

In face of fear and uncertainty, we often cling to our thoughts and feelings as if they're life rafts, giving us something firm to hold on to. These get anchored in our psyche, gradually forming an "island" of self-identity in the ocean of our consciousness.

- Our *self-concept* is basically a complex structure of beliefs and thoughts that we cling to, e.g. our gender identity, opinions, and experiences.

"Your self-concept is just a collection of thoughts about yourself."

We suffer when we try to maintain perfect order and control in a world that's complex and dynamic. Keep challenging and letting go of your self-concept or internal model.

- When your internal model clashes with reality, don't justify or defend your views. Use such disturbances to *challenge your existing mental model* and bring yourself closer to reality.

"You just decide, once and for all, to take the journey by constantly letting go."

- Each time you feel disturbed, stop and focus on the part of you that notices the disturbance. This brings you back to Awareness and the knowledge that *you're separate from*

"You are consciousness, and you can free yourself from all of this by relaxing behind it."

what you observe. Eventually, this becomes habitual and you can just allow the process to happen without taking deliberate action.

5. Choose to Live Life Fully

Choose to Live with Unconditional Happiness

The most critical choice you can make in life isn't about your career or relationships, but whether you choose to be happy.

- Often, we add conditions to our happiness ("I'll be happy if..."), only to limit our happiness. *Choose to be unconditionally happy*, i.e. have fun no matter what life throws at you.
- You have a *finite amount of time* on this Earth. Your suffering helps no one, so why not enjoy yourself while you can?
- It's easy to be happy when things go well. The true test comes when you face losses or difficulties. The key is to *keep your heart open* and experience everything fully.
  - (i) Instead of complaining or feeling down, find joy and wonder in the experience.
  - (ii) If you realize that you've shut down, just pick yourself up and re-commit to staying open. Keep letting go of the parts of you that find reasons to be unhappy.
- When you embrace unconditional happiness, you start to experience *higher states* of ecstasy, bliss, and even a connection with the divine.

Choose To Embrace Life, Not Resist It

Most of our struggles are with past events or future anxieties, which stem from our fixed ideas of how things should be.

- *If something has already happened*, it's pointless to resist it. You're just wasting energy fighting with yourself and causing more internal turmoil.

KEY QUOTES

"You really only have one choice in this life... Do you want to be happy, or do you not want to be happy? It's really that simple. Once you make that choice, your path through life becomes totally clear."

"You were not put on Earth to suffer. You're not helping anybody by being miserable."

"Events don't determine whether or not you're going to be happy. They're just events. You determine whether or not you're going to be happy."

"Since the event has already passed, you are actually struggling with yourself, not with the event."

- We also waste energy *worrying about future events* that may never happen. Such resistance creates tension to close up the heart, blocking energy flow and reducing your vibrancy.

If you can embrace life events as they are, you'll live without stress, problems, or fear.

- Let go of preconceived notions and *allow life to unfold in the present moment*. Imagine being stuck in traffic. Instead of succumbing to stress and frustration, choose to accept the situation. You can relax, listen to music, or simply observe the world around you.

- Redirect your energy from resisting life to experiencing it. *See your time on Earth as a gift*, filled with exciting and challenging events to help you grow. Choose acceptance and openness over resistance and control.

Embrace the Inevitability of Death

Death is the ultimate teacher of life. It shows the insignificance of our worldly attachments, and the truth that we are not our bodies.

- Ask yourself: If you only had 1 week left to live, *how would you spend your final days?*

  (i) For example, if you're jealous that your wife is out meeting her friends, consider what happens when you're no longer around—do you want her to be supported by friends then?

  (ii) Realize that everything is impermanent, and your worldly concerns won't matter when you're dead.

Once you accept the inevitability of death, you can overcome the fear of living.

- Recognize that each breath could be your last, and *make each moment count*—even the mundane ones like walking in the rain. Once you're truly fulfilled, you can embrace death with no regret.

KEY QUOTES

"It is not life's events that are causing problems or stress. It is your resistance to life's events that is causing this experience."

"Life is giving you a gift, and that gift is the flow of events that takes place between your birth and your death."

"Death is not a morbid thought. Death is the greatest teacher in all of life."

"Life is not something you get; it's something you experience."

"This is how to live your life. You live it as though you were on the verge of death, because you are."

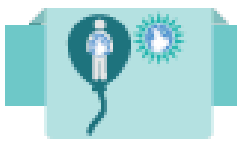
Find the Natural Equilibrium in Everything

In the Tao Te Ching, Lao-Tzu describes the Tao (or "the Way"). It's about finding natural balance in life's dualities.

- Life is full of *opposing forces*, like yin and yang, light and dark. Excess in any form—be it eating too much or too little, being too close or too distant in a relationship—leads to imbalance.
- The laws of physics say that when a pendulum is released from 1 end, it will swing to the other end. When you keep moving between extremes, you waste much more energy than if you take a *middle, direct path*.

The Tao teaches us to find the point of equilibrium in anything—including yourself—where there is no push in either direction. This natural center is where you find harmony, clarity, and vitality.

- This point of equilibrium is *not static, but dynamic*. Like sailing, it requires constant adjustment and adaptation to maintain balance amidst changing conditions. Constantly assess if you are living in balance or getting lost in the extremes. Find your sweet spot in every aspect of life, from work to personal relationships.
- Centered living means flowing harmoniously with the rhythms of the universe, and not taking life personally. *Your actions become effortless* as you move as one with the forces of life instead of striving against the currents.



Embrace the Divine In You

Singer argues that you cannot understand God from religious texts, which are written by humans and thus colored by cultural influences. The best way to know God is through your own spiritual ascent.

- As you release lower vibrations like anger and fear, you experience an "*upward drift*" in your spirit. There's a sense of elevation, spaciousness, and distance from reactive emotions.
- This is not about grasping for the spiritual, but *releasing the non-spiritual*. The more you let go of physical, emotional, and

KEY QUOTES

"Everything has its yin and yang. The Way is the place in which these forces balance quietly."

"The extremes create their opposites; the wise avoid them. Find the balance in the center and you will live in harmony."

"Effortless action is what happens when you come into the Tao…The forces take care of themselves as you sit in the center."

"The drop of consciousness, which is individual Spirit, is like a ray of light emanating from the sun. The individual ray is really no different from the sun."

mental attachments, the more you identify with your spiritual essence rather than your physical form. You experience less judgment and negativity, feel a deeper love for all things/people, and start to radiate unconditional love and openness.

Eventually, you reach a point where individual consciousness merges with universal consciousness.

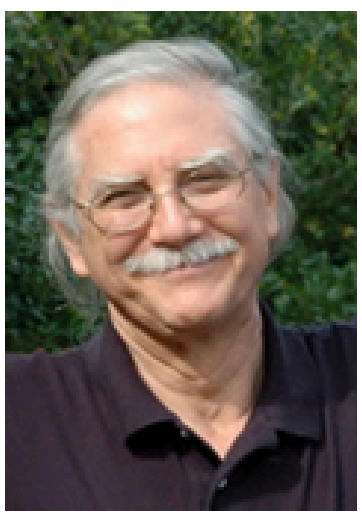
- This is described in various religious texts, where individuality dissolves into a *collective, divine essence*. In this state, you see beauty and perfection in all, perceiving everything/everyone with pure love. Singer believes this is a mirror of how God might view His creation.

- *Divine love* is unconditional and compassionate; it shines on everyone, just like how the sun shines on one and all, regardless of our actions. Let go of any fear, guilt, or shame in your relationship with God, as this only closes off your heart and Spirit. Instead, trust in God's constant, unwavering love.

Other Details in the Book to Look out For

In the book, Singer explores the nuances and practical applications for each of the concepts above, taking us on an exploration of our inner world and a journey of personal growth and spiritual awakening. For more details, please visit https://untetheredsoul.com.

About the Author

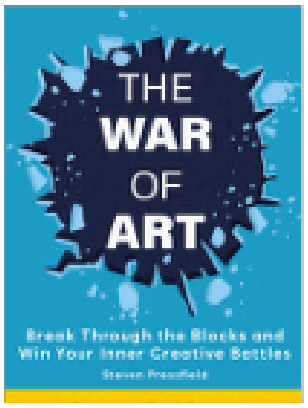


Michael Alan Singer (born 1947) is an American author, journalist, motivational speaker, and former software developer. He is best known for his writings on spirituality, meditation, and New Age philosophy. Singer earned his masters degree in economics at the University of Florida. While working on a doctorate program, he reportedly had a spiritual awakening and went into seclusion. This eventually led to his first book, The Search for Truth.

KEY QUOTES

"You can't offend the Divine One; its very nature is light, love, compassion, protection, and giving."

"Let go of the idea of a judgmental God. You have a loving God. In truth, you have love itself for a God."



THE WAR OF ART

Break Through the Blocks and
Win Your Inner Creative Battles

Steven Pressfield

The Big "So What"

In this book, Steven Pressfield explores how to overcome creative blocks to unlock your full potential, and achieve what you were born to do. The ideas are valuable for artists, entrepreneurs, athletes, and anyone trying to break through their internal barriers to success.

Introduction

In the context of this book, being "creative" refers using your intrinsic talents, insights, or passions to create or produce something new.

- This goes beyond the traditional definition of "artistic endeavors" like painting, writing, or music. It includes any endeavor where *innovation and self-expression* are key, such as entrepreneurship, scientific research, and product development. It's about bringing forth something that's deeply unique and authentic.

- To do that, you must overcome *strong internal resistance* including fear and self-doubt.

This book describes the invisible enemy to creativity, which Pressfield names "Resistance", and how to win the battle against it.

- This summary addresses the struggle against Resistance in *3 parts*:

  (i) What is Resistance?

KEY QUOTES

"When inspiration touches talent, she gives birth to truth and beauty."
—Robert McKee

"The most important thing about art is to work. Nothing else matters except sitting down every day and trying."

(ii) Winning the war against Resistance

(iii) Living your creative potential

Part 1: What is Resistance?

Pressfield depicts Resistance as the arch-nemesis of creativity. It is an omnipresent force actively working against you, preventing you from doing what you're meant to do. To successfully fight Resistance, you must first recognize and understand it.

Recognizing and Understanding Resistance

Resistance is an internal, unseen enemy. You can't see, hear, touch, or smell Resistance. However, you can feel it, like an energy field repelling you from your work, or pushing back against your creative efforts.

- Resistance exists to thwart creativity. It *affects everyone*, and it's not personal.

It's powered by fear—if you can conquer your fear, you can conquer Resistance.

- The more important the task at hand, the greater the Resistance. So, you can use the level of Resistance as a compass to *point toward what you should do*.

Resistance manifests in various forms, including procrastination, self-doubt, and self-destructive behaviors.

- We *procrastinate* by putting off a task till later. The more you procrastinate, the more it becomes a habit.
- We might also seek out *instant gratification* through sex, drugs, sweet/fatty foods, or mindless entertainment.
- Resistance could also appear as a *voice in your head*, telling you all the reasons you can't/shouldn't do what you want to do.
- Resistance can even lead to *self-dramatization and victimization*. Doctors estimate that 70-80% of patients aren't

KEY QUOTES

"Every sun casts a shadow, and genius's shadow is Resistance."

"Rule of thumb: The more important a call or action is to our soul's evolution, the more Resistance we will feel toward pursuing it."

"It's not the writing part that's hard. What's hard is sitting down to write. What keeps us from sitting down is Resistance."

"Casting yourself as a victim is the antithesis of doing your work. Don't do it."

truly sick; they're just dramatizing their condition to get attention or to get out of a situation.

Resistance can also sabotage us through the actions and needs of others close to us. It manifests as external distractions, when it actually comes from deep inside us.

- When you decide to tackle an important task, or are at the verge of a breakthrough, Resistance ensures that *something urgent suddenly pops up*. This could be anything from family emergencies to an unexpected illness, keeping you from your desired path.

- Resistance makes you *criticize others*. You project your fears and inaction onto others instead of tackling your own challenges.

Resistance doesn't just act through our action/inaction. It also acts through feelings of restlessness, unhappiness, and self-doubt, pushing us to abandon our true callings.

- The more *fear and resistance* you feel toward something, the more important it is likely to be. Otherwise you will simply feel indifferent toward it.

Resistance is also associated with fundamentalism. Both artists and fundamentalists deal with existential questions like "Who am I?" and "Why am I here?" However, they respond differently.

- *Artists* emerged from more modern, affluent and stable societies. They embrace freedom, and use their creativity to explore and express their individual identities. They believe in progress and seek to contribute to a better world through artistic expression.

- *Fundamentalists* arise from societies facing defeat or despair. They reject modernization and attempt to restore order based on rigid, traditional values. This is a form of Resistance that blocks the freedom of progress and personal expression.

Part 2: Winning the War Against Resistance

The best way to fight Resistance is to become a professional.

KEY QUOTES

"Individuals who are realized in their own lives almost never criticize others."

"The more scared we are of a work or calling, the more sure we can be that we have to do it."

"The opposite of love isn't hate; it's indifference."

- In the context of this book, being "professional" is about *embracing a mindset*, not a role like a lawyer or a doctor.

- Professionals treat their work with the *seriousness and dedication* it deserves. They show up consistently to do their work, continually hone their skills and self-mastery, and remain committed to their craft over the long haul.

Professionals vs Amateurs

There are several differences between a pro and an amateur.

Dedication: Amateurs treat their craft like a hobby, engaging in their pursuits part-time or when it's convenient. Pros are fully committed to their craft—they treat it as a full-time, long-term vocation. They integrate their work into their daily lives, working consistently on their craft 7 days a week.

Love and passion: Amateurs treat their work as something they enjoy or pursue "for fun". Pros love their craft so much that they dedicate their lives to it, making it their life's work.

Money and motivation: Amateurs see their craft as a sideline, not something they do for "serious money". Pros get paid for their work, though there are important distinctions to note:

- Pros *work for money but not for the love of money*. Their main motivation is still their passion for the craft.

- However, monetary compensation offers *extra rewards and validation*, allowing them to devote their lives to the craft, and further motivating them to excel at it.

Pros have a professional detachment that's crucial for combatting Resistance.

- They don't over-identify with their work or instruments (e.g. their voice or acting skills). For example, Madonna's cone bras and sexy clothes are just tools to shape her public persona; they don't define who she is at the core.

- This allows them to take pride in their work without becoming prideful, and to *receive criticism constructively*. Amateurs, on the other hand, take criticisms personally and can get paralyzed by the fear of failure or rejection.

KEY QUOTES

"A pro views her work as craft, not art."

"Technically, the pro plays for pay. But in the end, he does it for love."

"Playing the game for money produces the proper professional attitude."

"To the gods the supreme sin is not rape or murder, but pride. To think of yourself as a mercenary, a gun for hire, implants the proper humility. It purges pride and preciousness."

- Many professionals (such as screenwriters in Hollywood) even *incorporate themselves as businesses* to:

  (i) Gain tax and financial benefits; and

  (ii) Manage their work effectively, successfully wearing 2 hats—as the artist who does the work, and the businessperson who hires the artist.

- Similarly, Pressfield *treats his writing like a business*, holding weekly status meetings with himself to outline/assign tasks for the week, and keeping separate financial accounts for himself and his business entity.

Pros' workmanlike attitude helps them to maintain a **practical, steady approach**, so they can sustain the work over the long haul, instead of burning out too quickly.

- Unlike amateurs, who are impatient for quick rewards and results, pros accept that success and mastery take time. They're *patient* enough to wait for delayed gratification.

Pros **embrace hardship and challenges**. Pressfield's experience in the Marine Corps taught him the importance of taking pride in one's struggles to cultivate perseverance and resilience.

- Amateurs avoid new ventures or creative work due to the *fear of failure, rejection, or solitude*. They are afraid to express themselves and risk being ridiculed, and are fearful that success will alienate them from the people/things they're familiar with.

- Pros act in spite of fear, not in the absence of it. In the process, they uncover *new levels of support, understanding and fulfilment*.

  (i) Even when they work in solitude, they're never truly alone. They're always accompanied by their "Muse" or creative spirit, surrounded by the characters in their creations, and/or connected with the audience they're creating for.

  (ii) When they're deeply in flow or immersed in their work, they feel a profound level of support and inspiration.

Amateurs rely on external sources of validation, whereas pros **focus on self-mastery and expressing their creative vision**.

KEY QUOTES

"You-the-writer may get a swelled head, but you-the-boss remember how to take yourself down a peg."

"If we think of ourselves as a corporation, it gives us a healthy distance on ourselves."

"The professional arms himself with patience, not only to give the stars time to align in his career, but to keep himself from flaming out in each individual work."

"He has to know how to be miserable...Because this is war, baby. And war is hell."

"These characters [are] absolutely fascinating to us. They are us. Meaner, smarter, sexier versions of ourselves."

- Pressfield advises against relying on *external sources of support or inspiration* for creative challenges. Forget about external workshops or support groups, as these can end up distracting you from your real work. Instead, devote time for solitary work, looking inward to cultivate self-awareness, self-belief, and to discover and express your inner voice.

- *Don't wait for the perfect time or circumstances* to start. The more you give in to Resistance, the stronger it becomes.

  (i) Personal challenges cannot hinder you unless you allow them to. Tolstoy wrote "War and Peace" even though he had 13 kids, and Lance Armstrong won the Tour de France while he had cancer. Recognize your justifications for what they truly are—excuses.

  (ii) Once you start taking action, you'll find the justifications and excuses fading away. In fact, the process of engaging deeply in creative work can be healing and transformative.

- Amateurs dream/talk of grandeur, while pros focus on doing the work. Instead of waiting for inspiration before they start to work, pros focus on *techniques and tangibles* to keep moving forward. They know that if they persist, inspiration will come eventually.

- Pros recognize that real victory isn't about the end-results, but the *process of conquering themselves*.

  (i) They give themselves fully to their work regardless of the outcomes, maintaining their self-belief and commitment.

  (ii) They fight their war against Resistance regardless of internal/external challenges, injustice or bad luck.

  (iii) They realize that the real battle is in their own minds, and seek to continually improve and reinvent themselves.

During the 2001 Masters, Tiger Woods had to halt mid-swing when he was unexpectedly interrupted by a spectator's camera click. Instead of reacting impulsively, he recomposed himself and successfully continued his game—like a real pro.

Despite their successes, pros remain grounded and respectful of their craft.

- They might develop a *distinct, authentic style*, but they don't flaunt it nor impose it on others. They recognize that their

KEY QUOTES

"The professional cannot allow the actions of others to define his reality. Tomorrow morning the critic will be gone, but the writer will still be there facing the blank page."

"It's one thing to lie to ourselves. It's another thing to believe it."

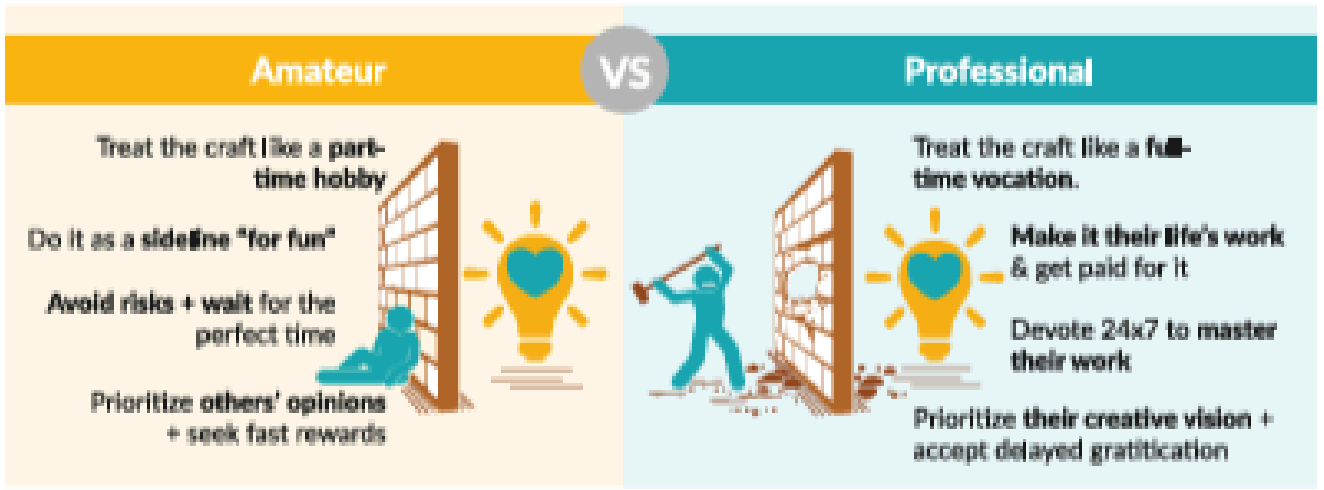
"A professional schools herself to stand apart from her performance, even as she gives herself to it heart and soul."

"The professional keeps his eye on the doughnut and not on the hole."

"The professional respects his craft. He does not consider himself superior to it."

craft is built upon the contributions of many people before them, keeping any snobbery in check.

- They *ask for help*, humbly acknowledging that they don't know everything. There are always people they can learn from, and people who can complement their skills (e.g. specialists like lawyers or accountants).



Turning Pro

In short, Resistance is persistent, but the pro wins by being even more relentless.

To become a pro, you just have to make a firm decision to make the shift.

- In his late 20s, Pressfield was at a low point. He had failed to finish any of his writing projects, and even his marriage had broken down. Resistance was winning the war. He finally *made a real decision* to buckle down and finish his book, shutting out all external distractions.

- Even though Pressfield never found a buyer for his first book, the act of finishing the book was in itself *major personal victory*. It took another 20 years before he made a break-through with *The Legend of Bagger Vance*, but he attributed the turning point in his career to that moment when he turned pro.

Most of us are already professionals in our jobs.

- We *show up daily*, and keep working until the time is up.

- We might change jobs/companies, but we're *committed* to working and building our careers for the long-term.

KEY QUOTES

"The counterfeit innovator is wildly self-confident. The real one is scared to death."

"There never was a moment, and never will be, when we are without the power to alter our destiny. This second, we can turn the tables on Resistance."

"There's no mystery to turning pro. It's a decision brought about by an act of will. We make up our mind to view ourselves as pros and we do it."

"I can state absolutely that the term of my life can be divided into two parts: before turning pro, and after."

"The professional tackles the project that will make him stretch. He takes on the assignment that will bear him into uncharted waters, compel him to explore unconscious parts of himself."

- We do this because the *stakes are high*, e.g. we need the income, or we don't want to let down our family/colleagues.
- We *get paid* for our work, so we treat it seriously and seek to become more effective at it.
- We take pride in our work, but it *doesn't define our identity*.

It's time to apply the same level of dedication to the creative work we were born to do.

Part 3: Living Your Creative Potential

Collaborating with Higher Forces

Although Resistance is formidable, it can be countered by an opposing force, which Pressfield calls "the Muse".

- Pressfield believes that there are *higher forces* at work—whether you call it God, spirit, consciousness, or infinite intelligence. These forces are ethereal and timeless, and they work through mortals like us to translate intangible potential into tangible creations.
- In classical mythology, Muses were goddesses that inspired the arts and sciences. Pressfield depicts the Muse as a *guiding presence* for artists. The Muse whispers seeds of inspiration into human ears, leading to monumental works like Shakespeare's "Hamlet" or Beethoven's "Fifth Symphony".

The creative process involves not just techniques, but a collaboration with higher powers. Pressfield starts each work day with a personal prayer to invoke the Muse, asking for inspiration to create multi-dimensional stories that can last the test of time.

- The mirrors how ancient leaders and creators sought divine support to guide their endeavors. This ritual opens Pressfield to a *flow of creative ideas and energies*. It also reminds him to stay humble and connected, to sustain and complete his work.

In other words, you can see an artistic endeavor as both (i) a battle against Resistance and (ii) a communion with higher

KEY QUOTES

"As Resistance works to keep us from becoming who we were born to be, equal and opposite powers are counterpoised against it. These are our allies and angels."

"Things that you think are nothing, as weightless as air, are actually powerful substantial forces, as real and as solid as earth."

"More than make it great, make it live. And not from one angle only, but in all its many bearings."

"Whatever you can do, or dream you can, begin it. Boldness has genius, magic, and power in it. Begin it now."
— W.H. Murray

forces. The best way to leverage such intangible forces is to commit to the creative process—get started, and keep doing the work.

- When you truly *commit to start* on a creative project, something transformative happens. Unseen forces around you are mobilized, bringing helpful coincidences and resources to aid your creative journey.

- During the process of creation, *moments of insights* might also surface unexpectedly, such as new ideas/solutions or insights on what to correct or improve. This often occurs when your mind is free from the immediate task at hand, such as during a walk. These subconscious cognitive processes are available to everyone, not just "creative" people.

KEY QUOTES

"When we sit down day after day and keep grinding, something mysterious starts to happen. A process is set into motion by which, inevitably and infallibly, heaven comes to our aid."

Embracing Your Calling

Ego vs Self. There's a distinction between the Ego (which focuses on material existence and survival) and the Self (which sees the broader, interconnected, and spiritual aspects of life. The creative battle often lies between these two, with the Ego resisting change and the Self seeking to create and evolve.

"The Ego produces Resistance and attacks the awakening artist."

Resistance is fueled by fear, especially the fear of success.

- We're afraid of facing the unknown, losing our familiar comforts or our loved ones. Pressfield assures us that such fears are unfounded—as you embrace your potential, it will only open up new levels of understanding and fulfilment.

"We know that if we embrace our ideals, we must prove worthy of them. And that scares the hell out of us."

We are not born as empty shells to be shaped by society. Each of us is born with a distinct identity and intrinsic purpose.

- Our goal in life is to *discover and realize our inherent potential*, be it artistic creation, nurturing a family, or challenging societal injustices.

"None of us are born as passive generic blobs waiting for the world to stamp its imprint on us. Instead we show up possessing already a highly refined and individuated soul."

- Often, people's life priorities change drastically once they're faced with their *mortality*, e.g. a terminal illness. Don't wait for a crisis to start focusing on what matters. Start cultivating your self-awareness and proactively resolve any internal conflicts—Pressfield believes that this will help to prevent unfulfilled potential from manifesting as mental or physical ailments.

"Our job in this lifetime is not to shape ourselves into some ideal we imagine we ought to be, but to find out who we already are and become it."

Artists thrive when they focus on their skills and passions, instead of competing for external recognition or status.

- All human beings derive psychological security either *hierarchically or territorially*.

  (i) A *territorial approach* means deriving your motivation and fulfillment from your work/domain, without the influence of rivals or the need for external validation.

  (ii) A *hierarchical approach* means focusing on social or professional rank, or how you stack up against others.

- *Artists thrive within a territorial framework*. By staying true to their vision, they can produce work that's genuine and original. It shifts the focus from trying to surpass others, toward mastering their craft and expressing themselves authentically and innovatively. When you're working in your territory:

  (i) You feel energized and motivated with a deep sense of intrinsic enjoyment;

  (ii) You'd still do the work even if no one else was around; and

  (iii) For every ounce of love and effort you put in, the territory gives back in kind so you feel rejuvenated (not drained).

- For example, a painter finds *true fulfillment* when she's absorbed in the colors and strokes that bring her vision to life, regardless of whether anyone sees or critiques the final product. A writer feels energized when he's writing about a topic he cares deeply about, regardless of whether it becomes a bestseller.

- By contrast, *hacks* work solely for commercial success or public approval. They prioritize market demand over personal vision, delivering what they think people want to see/hear instead of following their inner compass.

Ultimately, artists are intermediaries between higher realms and the tangible world, channeling unseen energies into their creations.

- They are humble before their craft. They recognize that their work is *created through them, not by them*.

KEY QUOTES

"In the hierarchy, the artist looks up and looks down. The one place he can't look is that place he must: within."

"The artist cannot look to others to validate his efforts for his calling...The artist must operate territorially. He must do his work for its own sake."

"A territory is a closed feedback loop. Our role is to put in effort and love; the territory absorbs this and gives it back to us in the form of well-being."

"As the mother-to-be bears her child within her, so the artist or innovator contains her new life. No one can help her give it birth. But neither does she need any help."

- Look inward to see/feel *what's growing in you*, and explore how you can best bring it forth into the world.

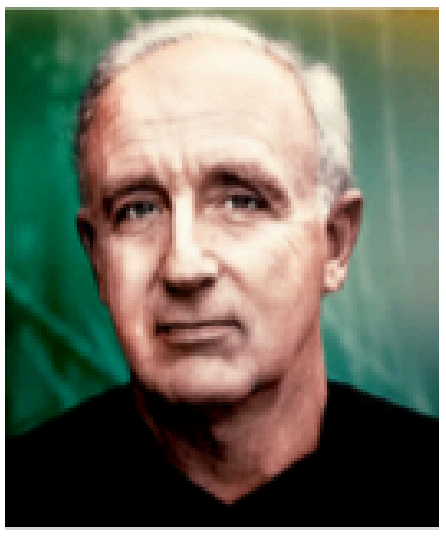
To actualize your creative potential, see your craft as a vital contribution to the world, not a means to personal glory.

- Focus on the process of creation, *without attachment to the outcomes*.
- Treat your artistic endeavor as an *offering to a higher power*. In so doing, you deepen your spiritual connection and contribute to the collective human progress towards enlightenment.

Other Details in the Book to Look out For

To realize your potential and do what you were born to do, it's crucial to overcome Resistance and connect with your higher Calling. The real battle is internal—to master yourself and persist with your creative endeavors, not to gain external recognition or status. In the book, Pressfield shares his personal struggles, experiences and perspectives to motivate readers in their creative pursuits. For more details, please visit https://stevenpressfield.com.

About the Author



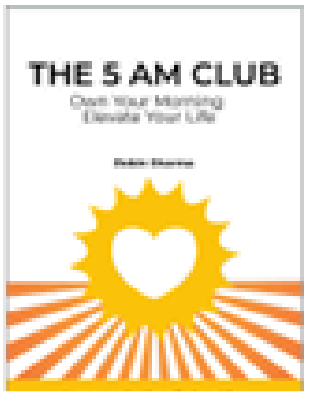
Steven Pressfield (born 1943) is an American author, known for his historical fiction, nonfiction, and screenplays. He spent 27 years writing—taking on a variety of jobs to support himself—before achieving significant literary success. He has worked as an advertising copywriter, schoolteacher, tractor-trailer driver, bartender, oilfield roustabout, attendant in a mental hospital, and fruit-picker.

His breakout novel, The Legend of Bagger Vance, was later adapted into a major motion picture.

KEY QUOTES

"I trusted what I wanted, not what I thought would work. I did what I myself thought was interesting, and left its reception to the gods."

"Creative work is not a selfish act or a bid for attention on the part of the actor. It's a gift to the world and every being in it. Don't cheat us of your contribution. Give us what you've got."



THE 5AM CLUB

Own your Morning. Elevate your Life.

ROBIN SHARMA

The Big "So What"

In this book, Robin Sharma invites you to join the 5AM Club and the ranks of the top 5% of performers. Using a parable, he explains various productivity principles and tactics built on research and brain sciences, to help you transform your results, health, and happiness.

The Parable

The parable is about 2 people who managed to transform their lives with the help of a guru and a tycoon.

- The *story* began with an Entrepreneur whose life was falling apart, and an Artist who wanted to unlock his creativity and potential. They met at a seminar by the Spellbinder, a famous guru known for his teachings on peak performance, neurobiology and human potential. At the seminar, the Entrepreneur and Artist ran into an eccentric multi-billionaire who'd been personally mentored by the Spellbinder. The Billionaire invited them to his private island, where he imparted the principles and insights that had transformed his life (and would now transform theirs).

- *The 5 AM Club* is the cornerstone of achieving world-class performance and living a splendid life. It involves the habit of waking up at 5am daily, starting your day on a right note, and adopting a range of positive habits to multiply your results.

Throughout the story, the Billionaire and Spellbinder share quotes from famous people, findings from scientific

KEY QUOTES

"Every professional was once an amateur, and every master started as a beginner. Ordinary people can accomplish extraordinary feats, once they've routinized the right habits."

research, frameworks, principles and tactics for achieving peak performance, inner peace and joy. We've distilled and organized the key insights into 2 parts in this summary:

- The ingredients for top performance; and
- How to become a member of the 5 AM Club.

Part 1: The Ingredients for Top Performance

The 3-Step Success Formula

To be in the top 5% and gain a "Gargantuan Competitive Advantage" (GCA), you must be willing to do what 95% of people don't or won't do. This starts with choosing how to lead your life.

- *Leadership* isn't about your title or position; it's about what you stand for, focus on and commit to on a daily basis.
- To become a master in any field, you need *rigor and persistence*. Masters spend years to learn, experiment and improve their expertise and insight. Every wildly-successful person has had his/her share of struggles. For example, Stephen King faced so many rejections that he actually threw away the manuscript for "Carrie" in frustration. Fortunately, his wife recovered the manuscript from the thrash and this became King's first published novel.
- Masters also demand the highest standards down to the *granular details*. Instead of churning out hundreds of mediocre pieces, they spend years to perfect the details of a single masterpiece. F1 crews adopt fastidious standards in their checks, calibration and cleanliness because they know that a loose screw or a speck of dirt can mean the difference between winning and losing, or life and death. Indeed, the Challenger space shuttle exploded due to the failure of a single, seemingly-inconsequential O-ring seal.

In short, there're 3 steps to achieving phenomenal success:

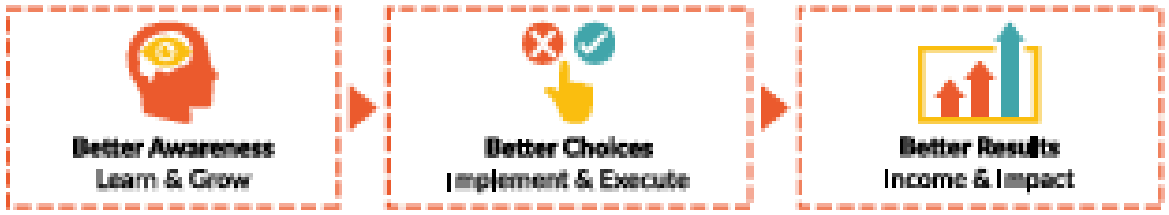
KEY QUOTES

"Each of you has a call on your lives. Every one of you carries an instinct for excellence within your spirits."

"Leadership is a lot less about having a formal title, a large office and money in the bank. And a lot more about committing to mastery over all you do—and in who you are."

"Consistency is the key to mastery."

"Geniuses understand that it's smarter to create one masterwork than one thousand ordinary pieces."



- Be *aware* of your values, why you do what you do, and how you want to be remembered.

- Use this consciousness to guide your daily *choices*, so that every action you take contributes to your goal.

- Applied rigorously and consistently, the 3 steps will dramatically improve your *results* and impact.

The most outstanding people commit to becoming the best version of themselves and living an original life. They demand high standards in all aspects of their attitudes, actions, and output.

By contrast, 95% of people only achieve mediocre results because they lack the clarity, focus and discipline of the top performers.

- Most people follow the same *mindless routine* daily. They spend their time checking emails/messages, surfing the internet, watching TV and doing menial chores. They find *excuses* for not pushing themselves beyond their comfort zone. Instead of maximizing their potential or impact, they pursue bigger salaries, titles and houses to *impress others*.

- Geniuses are often treated like *weirdos or misfits* because of their crazy visions and maniacal standards. Ironically, these visions and standards are what make them top achievers in the first place.

To become a master of your life and craft, you must be willing to pay the price.

- Be prepared to *persist* in face of ridicule/criticism and stick to your vision and standards even when you don't feel like it.

- Realize that *true power* doesn't come from your riches or status, but your inner state—how far you tap into your talents, and live with self-discipline, integrity, honesty, and empathy. By all means enjoy the money and status

KEY QUOTES

"World-class is a process, not an event."

"The majority is stuck in vague, imprecise thinking. And vague, imprecise thinking yields vague, imprecise results."

"You can fit in. Or you can change the world. You don't get to do both."

that comes with success, but do so without becoming attached to them or allowing them to define who you are.

4 Areas of Focus for Top Performance

Top performers focus on four things: leveraging their talents, working without distractions, gaining personal mastery, and consistently stacking small wins. Sharma calls these the "four focuses of history makers."

Top achievers aren't born with superior talent; they simply actualize more of their potential. "Capitalization IQ" is the ability to put your inborn gifts to use.

- To attain mastery or world-class standards, you need to work at something for a long period of time. This in turn requires the *right beliefs and self-identity*. If you don't believe you have what it takes, you won't persist long enough to succeed. Build your self-belief and confidence, then get to work on unleashing your inner giant and genius.

Free yourself from distractions. You can't deliver exceptional results if your mental capacity is diluted across too many things.

- One of the biggest sources of distractions comes from *addiction to technology*. If you spend the entire day on your devices, you'll find yourself overwhelmed by endless emails, messages and social media updates, leaving you with no time or energy for meaningful work.

- We also tend to *self-sabotage*. As part of our survival instinct, the "primitive" part of our brain (the limbic brain) is always looking for threats or danger. The prefrontal cortex (in charge of higher-level thinking) seeks growth and progress. When you're working on something challenging, you may suddenly feel the urge to jump on a new idea/opportunity, take a break, or work on something else. This is your primitive brain trying to distract you from the difficult task (due to its fear of failure and uncertainty). Be aware of this tendency, so you can resist the impulse and deliberate persist onward.

KEY QUOTES

"Stop managing your time and start managing your focus."

"There's a staggering difference between being busy and being productive."

- Don't confuse busyness with productivity. *Simplify your life* and concentrate on just a few high-value items at any point in time. Focus on a few projects that you can deliver with stellar results, instead of jumping from task to task. Invest your time and energy on a few deep, meaningful relationships instead of many shallow ones. Work on a 1 important activity at a time instead of multitasking.

Your external results are a reflection of your inner state (your mindset, creativity, abilities, confidence etc.). Continually improve your personal mastery and abilities to multiply your results.

- In particular, use the 5 AM Club to build *4 "interior empires"*:

  (i) *Mindset* (psychology): Work on your deepest beliefs, self-talk and outlook, which jointly define how you think and act.

  (ii) *Heartset* (emotionality): You can't produce amazing work if you're weighed down by resentment, sadness or fear. Improve your emotional health by releasing toxic emotions and opening your heart to gratitude and joy.

  (iii) *Healthset* (physicality): Build your physical fitness to increase your energy levels, operate at an optimal cognitive state, and improve your longevity.

  (iv) *Soulset* (spirituality): Spend some quiet time to remember who you truly are, connect with yourself and rediscover your compassion, conviction, and courage.

If you consistently improve by 1% a day, you'll minimally elevate yourself by 365% each year. Sharma calls this "day stacking." Focus on what you can do today to build an exceptional life. Live fully and unapologetically, dare to love and express yourself, and feel truly alive in the moment.

KEY QUOTES

"An intense concentration only on what matters most is how the pros realize victory. Simplify. Simplify. Simplify."

"The only devils in the world are those running in our own hearts. That is where the battle should be fought."
– Mahatma Gandhi

"Small, daily, seemingly insignificant improvements, when done consistently over time, yield staggering results."

Part 2: Joining the 5 AM Club

The 5 AM Club (waking up at 5am and using the 20/20/20 Formula below) gives you a headstart in cultivating the clarity, discipline, rigor, and habits for top performance.

How It Works

The 5 AM Club is built on various scientific truths about the brain, willpower and habits.

When we're awake, our prefrontal cortex is usually in a state of hyper-activity, analyzing and worrying about everything. When you wake up at 5am, the peace and quiet allows your prefrontal cortex to switch off temporarily so you enter a state of "transient hypofrontality".

- In this state, your brain waves slow down from beta to alpha (or even theta). The peace and silence also trigger the release of hormones like dopamine and serotonin, all of which put your brain in the ideal condition to enter a *Flow state*—a state of joyful peak performance where you're absorbed in a challenging task and operating at the edge of your abilities.

- Many famous people—including John Grisham, Wolfgang Amadeus Mozart, Georgia O'Keeffe, Frank Lloyd Wright and Ernest Hemingway—have the *habit of waking before daybreak*.

Neuroplasticity refers to our brain's ability to change throughout our lives. When we do something repeatedly, it causes certain neural circuits to fire together and eventually wire together, making the task easier to perform. After years of navigating the complex streets of London, the cabbies there were found to have a larger-than-usual hippocampus (which handles spatial reasoning). People who're constantly learning and challenging themselves will develop different brains from those who don't.

Willpower isn't an inborn trait. It's actually a skill that can be developed through practice, like how we build muscles.

KEY QUOTES

"Anyone can be great for a minute. The sport of icons is sustaining genius-grade performance over a lifetime."

"You don't have the brain you want, you have the brain you've earned."

- *Increasing our self-control* in 1 aspect of our life also increases self-control in other areas.

- However, willpower gets depleted with use and *weakens when we're tired*. That's why we find it harder to exert self-control or make good decisions at the end of a long day.

- Top producers outperform others because they've built the *habit of performing high-value activities*. Initially, they had to force themselves to persist each time they felt like quitting. Over time, they strengthen their willpower, self-mastery and discipline, until it's habitual to operate at a higher level.

- You can also build your willpower by regularly putting yourself in *uncomfortable situations*, e.g. sleeping on the floor once a week, taking cold morning showers, or fasting a few times a month.

You need to exert willpower to build a new habit. However, once you've installed the habit, it becomes automatic and effortless. There are 4 steps involved in habits formation:

- The process begins with a *trigger*, e.g. an alarm ringing at 5am.

- Once that happens, it's important to establish the right *ritual* by jumping out of bed and moving into your Victory Hour (elaborated below). Going back to bed will only create an undesirable habit.

- Make sure you *reward* yourself each time you complete the desired ritual, e.g. treat yourself to some dark chocolate or an afternoon nap.

- Each time you *repeat* the cycle, you're rewiring your brain and locking in the new habit.

It takes about 66 days to form a new habit over 3 phases.

KEY QUOTES

"To regularly do that which is hard but important when it feels most uncomfortable is how warriors are born."

"Legendary performers practice being spectacular for so long that they no longer remember how to behave in non-spectacular ways."

"The soreness of growth is so much less expensive than the devastating costs of regret."

"All change is hard at first, messy in the middle and gorgeous at the end."

- *Destruction (22 days)*. Starting a new habit is always tough, as your brain struggles to break old patterns and rewire new ones. Each time you hit a wall, push through it no matter what. Remind yourself that the hardest parts are also the most valuable.

- *Installation (22 Days)*. This phase is akin to being in the middle of a renovation. The old structures have been torn down, and you're about to install the new ones. You're in unfamiliar territory, things feel chaotic and frustrating, and you may be tired after struggling for a few weeks. Resist the urge to return to old habits. Keep persevering.

- *Integration (22 Days)*. At this phase, the new habit starts to feel familiar, and you start to experience the benefits of your new rewiring.

- If you stick to the same routine consistently for at least 66 days, you'll hit the "*Automaticity Point*". When the alarm goes off at 5am, it's now second nature for you to jump out of bed and start your ritual without exerting willpower. Don't stop there—direct your willpower to start building another new positive habit!

KEY QUOTES

"Persistency sits at the threshold of mastery."

"For the A-Player, the top of one mountain is the bottom of the next. The installation of one great new habit brings on the outstanding opportunity to begin the next."

The 20/20/20 Formula

Your willpower is strongest at the start of your day, and weakens as you get tired. So, the first hour of your day (5-6am) is crucial. Sharma calls this your Victory Hour. He recommends splitting this hour into 3 x 20-minute blocks where you focus on building your Mindset, Heartset, Healthset and Soulset.

- *Move* (0500-0520): Start your day with intense exercise that makes you sweat. This triggers a host of biochemical reactions in your brain and body to put you in an optimal cognitive state.

  (i) Specifically, intense exercise reduces your cortisol levels, and releases BNDF (brain-derived neurotropic factor) which repairs brain cells, promotes new brain cell growth, and speeds up neural connections so you'll think faster/better. Exercise also increases your

"Take excellent care of the front end of the day, and the rest of your day will pretty much take care of itself. Own your morning. Elevate your life."

levels of dopamine (a neurotransmitter) and serotonin (which regulates happiness).

(ii) Sharma recommends that you use an old-school alarm clock instead of using your phone. Adjust the clock 30 minutes ahead of the actual time, then set your alarm for 5:30 am to give the illusion that you're waking up later.

(iii) You can even sleep in your workout clothes to make it easier to start your Victory Hour.

- *Reflect* (0520-0540): Use the next 20 minutes for quiet reflection, meditation, prayer, journaling or planning. This provides focus and "residual wisdom" to guide your day.

(i) Be still and give yourself the gift of serenity and quietude. Contemplate your life, how you wish to express your values, and how you wish to grow.

(ii) Think of the day ahead of you. Try listing down 5 mini goals that, if accomplished, will make this a great day.

(iii) Download your thoughts and feelings in a journal. Don't overthink it; just write down whatever comes to mind—both the good and the bad. Consider what you're grateful for, and release any hurts or resentments that're weighing you down. When you give voice to your repressed emotions, it lightens your burdens and starts the healing process.

- *Grow* (0540-0600): Use the final 20 minutes to learn and grow. Consider how you can increase your capacity/ impact and become more valuable to your industry and society. Use the time to read a book, listen to podcasts, watch an educational video, or study the lives of successful people.

The 20/20/20 formula is a keystone habit, i.e. a set of behaviors that multiplies other helpful behaviors. You can adjust or tailor it to suit your needs and preferences.

KEY QUOTES

"The real purpose of commerce is not only to make your personal fortune. The true reason to be in the game is to be helpful to society."

Beyond the Victory Hour and 20/20/20 Formula

You can use these strategies, tactics and insights to amplify your productivity for the rest of your day.

For optimal productivity, creativity, health and longevity, you need 5 x 90-minute sleep cycles, or 7.5 hours of quality sleep each night.

- Your *evening routine* is as important as your morning routine.

  (i) Finish your last meal by 8pm and turn off all digital devices. Research found that blue light from digital devices can disrupt sleep and impair cognitive functions.

  (ii) Use the time before bed to connect with loved ones, meditate, take a relaxing bath, or read/listen to educational materials.

  (iii) Sleep in a cool, dark room without electronic gadgets.

Learn to conserve and manage your willpower supply:

- *Recharge* yourself throughout the day so you won't be too exhausted to exercise your willpower or make sound decisions.

- Keep your *surroundings* neat and tidy, since a messy environment creates distractions that deplete your mental capacity.

- Remove unnecessary decisions to *prevent decision-fatigue*, e.g. wear the same type of clothes daily or have a fixed routine. Keep your mental capacity for truly important decisions.

Use the "Tight Bubble of Total Focus (TBTF)" to protect your mental focus, physical energy, willpower, time and talent. This is a metaphorical bubble to keep out unwanted distractions, negativity and energy-vampires, so you can operate in a space of solitude and creativity similar to the Victory Hour. Carry this bubble with you, and deliberately choose which people, activities or influences you allow into your life.

KEY QUOTES

"To find your best self you must lose your weak self."

Apply the 90/90/1 Rule to focus on real work. For the next 90 days, set aside the first 90 minutes of your workday (after your Victory Hour) to focus on the 1 top project that'll give you the greatest payoff once it's completed.

Professional athletes routinely push their muscles to breaking point, then rest for 1-2 days during which their bodies can recover and grow new muscles. Likewise, we must alternate between intense work and complete rest/recovery. Push yourself to the max, then take time to play and recuperate.

- After your 90/90/1 session, use the *60/10 Method* to alternate between 60-minute bursts of intense work and 10-minute renewal periods. During the 60 minutes, enter a TBTF so you can work productively in a distraction-free zone. Then, recover fully with a quick walk, music, meditation, etc. for 10 minutes before starting the next 60/10 cycle.

- Occasionally, take longer periods to rest or play, e.g. go on a vacation. When paired with periods of intense work, our play/rest time also doubles up as an *incubation window* for new ideas and insights.

Schedule a "Second Wind Workout" at the end of your workday, to give yourself a boost of energy and willpower for the evening. You can also consider a 1-hour nature walk for reflection.

Schedule 2 weekly sessions of 90-minute deep-tissue massages. This is a good way to reduce stress, improve brain performance and general wellness.

Study for ≥60 minutes daily, e.g. read a book, take an online course or speak with a mentor. Convert your commute time into learning time. Keep raising your standards in all areas of life, e.g. hone your business skills, people skills, and learn to appreciate fine arts and culinary.

Delegate the tasks that drain you or things you're weak at, so you can focus on the things that you're great at and love to do.

Every Sunday, set aside 30 minutes to design a gameplan for the coming week. In your journal, record the highlights

KEY QUOTES

of your past week (including the key lessons learned and new areas for optimization). Then, list down your commitments for the coming week, schedule the slots for your Victory Hour, 90/90/1 sessions, 60/10 cycles, and second wind workouts, and set aside time for your loved ones and key priorities.

Other Insights for a Splendid Life

We tend to live as if we have all the time in the world, when life is actually fragile and unpredictable. Make each day count—be true to yourself, pay attention to miracles around you, and don't wait to express your inner genius.

Let your joy be your personal GPS: Focus on people, pursuits, and places that make you feel joyful, blissful and alive. Even if your life seems be crumbling around you, know that the setbacks are only temporary. Once you shift your focus, you'll start to notice new options and opportunities that you may have missed.

The more you give to others, the more you receive. The same dollar flows through the economy to benefit many people, whereas hoarding cash stops it from flowing. True wealth is built on generosity, not scarcity:

- *Give generously*—from tips to donations, love, compliments and positive thoughts—without expecting anything in return.
- *Forgive* those who've hurt you. Realize that they do so because they're suffering or in pain themselves. When you forgive, you also release the resentment and toxic emotions in you.

Other Details in the Book to Look out For

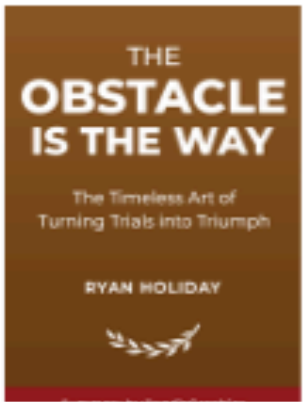
The book presents many overlapping ideas and success frameworks without specifying how they're interlinked. Examples include: "The 5-3-1 Creed of The Willpower Warrior", "Twin Cycles of Elite Performance", "10 tactics of lifelong genius",

KEY QUOTES

"Nothing works for those who don't do the work."

"Tomorrow is a bonus, not a right."

"The flow of life rewards positive action and punishes hesitation."



THE OBSTACLE IS THE WAY

The Timeless Art of Turning Trials into Triumph

RYAN HOLIDAY

The Big "So What"

To live to your full potential, you must overcome all sorts of obstacles and convert them to opportunities and strengths. In this book, Ryan Holiday explains how to go about doing that with 3 key disciplines.

Introduction

All of us face obstacles. Such obstacles can be physical (e.g. size or ability), mental (e.g. knowledge or experience), or emotional (e.g. fear or frustration). Obstacles can also be real or perceived. Today, we face more internal obstacles than external ones. Faced with an abundance of options and progress, we've grown comfortable, soft and entitled.

Roman emperor Marcus Aurelius once wrote: "The impediment to action advances action. What stands in the way becomes the way." Successful organizations and individuals aren't crushed by obstacles. They turn adversity to strength to end up even better than before they encountered the obstacles.

In this book, Holiday consolidates his analysis of ancient philosophers' works on Stoicism into practical insights and tips to overcome obstacles. These are broken down into 3 disciplines:

- *Perception*: how you look at your problems;
- *Action*: how to tackle problems in actionable parts; and
- *Will*: how to cultivate your inner being to conquer difficulties.

KEY QUOTES

"Great times are great softeners. Abundance can be its own obstacle, as many people can attest."

"Great individuals, like great companies, find a way to transform weakness into strength."

"Whatever we face, we have a choice: Will we be blocked by obstacles, or will we advance through and over them?"

Part 1: Perception

Your perception is how you interpret what's happening around you. Two people may see and respond differently to the same situation because of varying perceptions. To turn adversity to strength, the first step is to manage your perceptions.

Manage your perceptions: calmly observe what's happening, then identify ways to turn things around.

- During the financial crisis of 1857, John D. Rockefeller was still a small-time investor. Despite the mass panic, Rockefeller didn't exit the market. Instead, he calmly saved up, used the opportunity to observe what was going on, and gained critical insights about the financial markets. Thereafter, Rockefeller applied the same composure, discipline and objectivity to invest in oil. Over the next 20 years, he gained control of 90% of the oil in the United States while his competitors languished.

- Don't allow emotional impulses to cloud your judgment. Realize that what others think is bad may not always be so. Look beyond outward appearances to objectively assess what's happening, and identify opportunities others may have overlooked. See the big picture, but focus on areas within your immediate control.

Be Objective

In any event, there are 2 types of stories:

- The *objective facts* about what actually happened (e.g. you lost money in an investment); and

- Your *subjective story* (e.g. deciding whether it's "good" or "bad", "fair" or "unfair").

To be objective in your perception, you must remove yourself from the equation. You can pretend that you're giving an advice to a friend, or that the issue isn't important to you.

KEY QUOTES

"Perception precedes action. Right action follows the right perspective."

"We can see opportunity in every disaster, and transform that negative situation into an education, a skill set, or a fortune."

"What matters most is not what these obstacles are but how we see them, how we react to them, and whether we keep our composure."

"Give yourself clarity, not sympathy—there'll be plenty of time for that later."

Acknowledge your Power

In any situation, you *always* have the power to choose your thoughts and responses. You are never powerless or without options.

- In the 1960s, champion boxer Rubin "Hurricane" Carter was convicted of three life sentences for a triple homicide that he didn't commit. Yet, he didn't give up. He dedicated his time in prison to work on his legal case, successfully freeing himself 19 years later. Even then, he chose to resume his life rather than seek redress for his unjust prison sentence.

- Despite his limited options, Carter was not powerless, and he chose to use that power to make the best of his situation.

So long as you focus on your options, you can find ways to turn things around. But once you give up, your obstacles would truly have beaten you.

Control your Nerves

Our emotions can get the better of us, especially when we seem to be surrounded by problems, enemies and uncertainty. If you give in to your nerves, you'll only feel more stressed and overwhelmed. Control yourself: refuse to be intimidated, realize there's *always* something you can do about the situation, and accept that *you* must be the one to take control.

Your interpretation affects your perspective. When you react calmly as if something is not a big deal, then it'll truly *not* be a big deal.

Don't Panic

When you panic, you make mistakes, deviate from plans/procedures, and act irrationally. Take control of your emotions; don't let them control you. Ask yourself: Can this

KEY QUOTES

"Our perceptions are the thing that we're in complete control of. They can throw us in jail, label us, deprive us of our possessions, but they'll never control our thoughts, our beliefs, our reactions."

"There is no good or bad without us, there is only perception. There is the event itself and the story we tell ourselves about what it means."

"There is always a countermove, always an escape or a way through, so there is no reason to get worked up."

"Can you fight the urge to panic and instead focus only on what you can change?"

emotion help you to change the situation or issue? If not, don't let it drive you. Instead, use logical questions and statements to identify the root causes so you can make real progress.

Things that're unfamiliar tend to seem more fearful. By repeatedly practicing your responses to specific challenges, you can train yourself to overcome your fears, and become less likely to panic in similar situations. NASA trains its astronauts by simulating the space environment and likely events, then getting the astronauts to practice the details over and over until they can handle them calmly and intuitively.

Modify your Perspective

You're free to change your perspective, since you are the one who decides what it should be. Shift your perspective by (i) changing the *context* to see the bigger picture and/or (ii) *reframing* how you choose to interpret an event. In his early years in Hollywood, actor George Clooney faced numerous rejections and blamed the system for not recognizing his talent. Things changed after he realized that *he* was responsible for showing that he was perfect for a role. Thereafter, he made it a point to prove himself in auditions, preproduction, filming etc., and transformed his results.

Minor shifts in viewpoints can make a huge difference. For example, if you think "I am bad at writing", you make yourself the problem instead of the task at hand, which is to finish your writing.

Focus on What You Can Do

There're many things in life that're out of our control, e.g. the weather, other people's reactions, or the economy. You can choose to complain and feel helpless, or you can choose to find ways to overcome your obstacles and gain power in the process. In 1974, legendary baseball player Tommy John suffered a major injury to his pitching arm that should've ended his baseball career. Yet, he refused to give up.

KEY QUOTES

"With enough exposure, you can adapt out those perfectly ordinary, even innate, fears that are bred mostly from unfamiliarity."

"The right perspective has a strange way of cutting obstacles—and adversity—down to size."

"When you can break apart something, or look at it from some new angle, it loses its power over you."

"To argue, to complain, or worse, to just give up, these are choices. Choices that more often than not, do nothing to get us across the finish line."

He discovered that he had a 1 in 100 chance of recovery if he underwent an experimental surgery and rehab. He took that chance, recovered, and won 164 more games over the next 13 seasons.

Don't waste energy and effort resisting what has happened or complaining about things you can't change. Focus 100% on the things you *can* change. Even if it offers just a 1% chance of success, use it to make a difference.

Focus on the Now

Don't overthink an issue by dwelling on the past, worrying about the future, or trying to find the meaning behind everything that exists or happens. The reasons you *think* are behind your obstacles are just your unproven theories. For instance, disadvantages don't necessarily set you back, since half of all Fortune 500 companies were actually started during a recession or bear market.

Focus on the present moment and how to make the most of your time *now*. Remove distracting thoughts from your mind through meditation, exercise or other methods. Focus on what you can do in the present, and move forward one step at a time.

Think Outside the Box

When someone gives us a seemingly-impossible task, we tend to argue and complain. The truth is, you can get *anything* done if you truly set your mind to it. A week before the launch of the first Macintosh computer, the engineers at Apple told Steve Jobs that they needed an extra week to finish the project. Jobs calmly told them that if they could do something in 2 weeks, they could very well do it in 1 week. The engineers pushed ahead and completed the Mac in time.

Don't settle for mediocracy or let others define what's "possible" for you. Dare to stand out from the crowd and challenge yourself to aim high. In fact, you're likely to be the

KEY QUOTES

"Focusing exclusively on what is in our power magnifies and enhances our power."

"Those who survive...survive because they took things day by day—that's the real secret."

"Focus on what is in front of you, right now."

"Our perceptions determine, to an incredibly large degree, what we are and are not capable of."

"Our best ideas come... where obstacles illuminate new options."

most creative when you're *forced* to come up with a novel solution against the odds.

Look for the Opportunity in the Problem

In any situation or problem, there'll *always* be opportunities. Once you're in control of your emotions, you can find ways to flip something seemingly-negative into something positive.

- During WWII, the Germans used the Blitzkrieg maneuver to send large, concentrated numbers of troops tearing into the Allied formations like the tip of a spear. Each time, the incoming German troops seemed so overwhelming that the Allied forces panicked and scattered.

- American general Dwight Eisenhower stayed calm in face of the disaster and found an opportunity in the obstacle. In the subsequent battles, the Allied troops deliberately allowed the German army wedge to enter their formation, then encircled them from the rear to attack them from all sides. This became the turning point of the war.

Obstacles are always opportunities for growth. A bad boss could push you to find a better job elsewhere. A rival could motivate you to up your game. A business mistake teaches you that your hypothesis is wrong. In fact, many athletes who suffered a major injury or adversity ended up improving in those very areas—a phenomenon known as adversarial or post-traumatic growth. Learn to turn adversity into opportunity.

Part 2: Action

Once you have your perceptions and emotions under control, you're ready to take real action.

In face of a tough challenge, you can procrastinate, avoid the problem, feel sorry for yourself or make the most of the situation. In the end, a problem will only be as bad as you make it out to be.

KEY QUOTES

"Seeing through the negative, past its underside, and into its corollary: the positive."

"There is good in everything, if only we look for it"
- Laura Ingalls Wilder

"A clearer head makes for steadier hands"

- Famous Greek orator, Demosthenes, was a sickly child with a serious speech impediment. He lost his father at the age of 7 and his inheritance was stolen by his guardians. Instead of wallowing in self-pity, Demosthenes took extreme measures to conquer his obstacles. To overcome his speech impediment and strengthen his voice, he practiced speaking with his mouth full of pebbles or while running up steep slopes. Instead of going out to play, he locked himself underground to self-study.

- Demosthenes eventually won a suit against his guardians, got back what was left of his inheritance, and went on to become a great orator. He was dealt a bad hand in life, but chose to take action and turn his challenges into strengths.

Stay in Motion

To achieve a goal and overcome obstacles, you must grasp any opportunity to get started, then keep moving. Don't wait for the perfect opportunity, nor allow fear or self-doubt to stop you from taking the first steps.

- Amelia Earhart dreamed of becoming a pilot—a seemingly impossible goal in the 1920s when gender discrimination was rife. Her first piloting opportunity was far from ideal: she had to be supervised by male chaperones and wouldn't even be paid. Still, she grabbed the chance. This crucial first step led to many other opportunities and each time, Amelia said "yes".

- Five years later, Amelia became the first woman to fly solo across the Atlantic. This was only possible because she made the most of every opportunity to move forward and build momentum.

Any opportunity is a good starting point, as it can lead to new options down the road. Keep saying yes, and stay in motion until you reach your goal.

KEY QUOTES

"The proper perception—objective, rational, ambitious, clean—isolates the obstacle and exposes it for what it is."

"It matters what you do with what happens and what you've been given."

"You've got to start, to go anywhere."

Persist till you find a Solution

Innovation requires persistence. Often, you must exhaust all obvious options before you'll discover a new solution. During the United States Civil War, General Ulysses Grant tried without success to penetrate Vicksburg's defences. After trying almost every known military strategy for close to a year, he finally decided to try the unknown—his troops left most of their supplies behind, crossed the river and lived off the enemy lands as they conquered them. Eventually, they broke the enemy's will and succeeded.

Know that there's always a solution that works—all you need to do is persist long enough to find it.

Fail Forward

There's nothing shameful about failing. Failure is actually an asset if you use it to learn what doesn't work and how to improve. Failure is only bad when you don't learn from it.

In Silicon Valley, start-ups launch with Minimum Viable Products (MVPs) instead of finished products. They use the MVPs (with only 1-2 core features) to test customers' responses, so they can fail cheaply, make adjustments quickly and move on to test the next iterations. Use the same approach in your life—turn every failure into an opportunity by using the lessons to reflect, re-evaluate, and recreate, over and over again. Iterate your way to success.

Take One Step at a Time

Every goal is achieved via a series of steps. To realize your goal, you need to define and focus on the process required to get there. Don't worry about the end-results, e.g. winning a championship. Instead, focus on the task at hand, e.g. finishing a drill or workout.

KEY QUOTES

"Genius often really is just persistence in disguise."

"The one way to guarantee we don't benefit from failure—to ensure it is a bad thing—is to not learn from it."

"Failure shows us the way—by showing us what isn't the way."

"Follow the process and not the prize."

Break down a complex goal into small steps. Instead of an overwhelming feat, you now have small, manageable tasks that you can accomplish, one at a time. Instead of wasting energy fretting and struggling, channel your energy to what you must do now, and focus on finishing it well.

Do Every Job Well

Approach every task with pride, dedication and respect. No matter how big or small a task, be guided by these 3 principles: do your best, be honest, and create the best possible impact.

- There is no shame in any job unless you don't do it well. Don't get so preoccupied with the future that you lose sight of your present task. Never cut corners just because no one is watching, if there's no direct gain or if you think it's a menial task.

- President James Garfield paid for his college tuition by working as a janitor. He did his job with a smile and absolutely no shame. He was equally committed to excellence as a janitor and in his studies, quickly becoming a professor within a year and the dean by the age of 26.

Everything you do matters. Each task and action adds up to define who you are and what your life means.

The "Right" Approach is What Works

There is no one "right" approach to solving a problem. Go for the approach that works instead of rigidly following others' rules. In 1915, two companies wanted to buy land in South America, which 2 tribes claimed to own. The larger corporation devoted its resources to researching the true owner, while the smaller company cleverly paid *both* tribes for the property. In the end, they paid double for the land, but beat the larger company to achieve their goal.

Be pragmatic. Do what you can with what you have. Focus on getting results rather than on idealistic or perfect methods.

KEY QUOTES

"The process is about doing the right things, right now."

"Wherever we are, whatever we're doing and wherever we are going, we owe it to ourselves, to our art, to the world to do it well."

"Forget the rule book, settle the issue."

"Pragmatism is not so much realism as flexibility."

Choose Strategy over Brute Force

The best solution is seldom the grandest nor the most direct. In fact, it's usually ineffective to fight something head-on. When George Washington was a general, he kept the upper hand by using unconventional tactics, e.g. ambushing enemies when they were drunk, withdrawing his troops unexpectedly, or attacking from the flanks.

When you find yourself struggling and straining to reach a goal, step back to explore alternatives. Rather than butt heads with your obstacle, devise a plan: use your strengths, find leverage and go around the obstacle. Fight smart, not hard.

Let Obstacles Eliminate Themselves

When there's no way to confront or even go around a problem, it may be best to let the problem work against itself. Alexander the Great succeeded in taming his horse Bucephalus where no one else could—instead of trying to force him with whips and ropes, he simply mounted and hung on while the horse tired himself out.

When you push too hard for a goal (e.g. securing a new client or a pay raise), it can backfire. It takes humility and patience to recognize your limitations, change your course or bide your time. Sometimes, inaction is in itself an action; the best way forward may be to stand still, move sideways or even backwards.

Put your Frustration to Work

Rules, limits and obstacles can be frustrating. We can complain about them, react impulsively, or channel the energy into productive action. Like any tennis player, Arthur Ashe experienced his share of pressure and frustration. However, instead of throwing tantrums, he remained outwardly calm and redirected the energy into bursts of speed and power in his tennis moves.

KEY QUOTES

"The way that works isn't always the most impressive."

"Instead of fighting obstacles, find a means of making them defeat themselves."

"Adversity can harden you. Or it can loosen you up and make you better—if you let it."

When things go wrong, don't act recklessly from anger and frustration. Stay in control and deploy that energy to achieve your goals in constructive ways.

Use Adversity to your Advantage

Crises are often great opportunities to turn things around. Instead of cowering or giving up, look for unique openings to catapult yourself forward. In 2008, Barack Obama almost lost the presidential primary elections after controversial comments from his childhood pastor. He seized the opportunity to address the delicate issue of racial inequalities in his speech "A More Perfect Union". This became a pivotal point in his campaign—Obama went on to win the election and serve two terms as president.

Reframe your problems and use adversity as a springboard for action. If you're bedridden, consider writing that novel you've always wanted to. If you're retrenched, why not use the chance to launch your own business? Find and seize the opportunity in adversity.

Part 3: Will

Even with Perception and Action, you will still encounter unexpected trials in life. To endure and prevail, you must cultivate the will (or inner power) to confront obstacles over and over again.

Strong willpower isn't about forcing your way through something. It's about knowing that you can/will fail, yet taking the right, consistent actions regardless.

- Abraham Lincoln, the 16th president of the United States, faced countless obstacles in his life. He had to struggle with poverty, the loss of both his mother and the woman he loved, educate himself, manage politics, depression, civil war and the fight against slavery.

- Through it all, he shouldered his burdens, found meaning in his struggles, and willed himself to keep going. In fact,

KEY QUOTES

"[A] crisis provides the opportunity for us to do things that you could not do before."
—Rahm Emanuel

"It's at the seemingly bad moments, when people least expect it, that we can act swiftly and unexpectedly to pull off a big victory."

"Will is our internal power, which can never be affected by the outside world."

"We can think, act, and finally adjust to a world that is inherently unpredictable. The will is what prepares us for this, protects us against it, and allows us to thrive and be happy in spite of it."

Lincoln's own suffering made him a more compassionate person. His favorite line was, "This too shall pass".

Use Good Times to Prepare for Bad Times

You'll face adversity no matter what you do. Prepare yourself mentally ahead of time, so you can withstand future obstacles. As a child, Theodore Roosevelt suffered from life-threatening asthma, but cured himself after years of rigorous, daily workouts in the gym. This early training provided the mental strength and foundation to help him endure numerous challenges later in life, including the death of loved ones, political woes and even assassination attempts.

The Stoics used the term "Inner Citadel" to describe an inner fortress that can't be breached by outside forces. Build your mind and body during good times so you can withstand the blows during bad times.

Plan for your Failures

Things *will* go wrong, but you don't have to be caught off guard when they do. Don't just do post-mortems to evaluate past failures. Use pre-mortems (a concept by psychologist Gary Klein) to identify possible failures *before* you start a project.

Anticipate failure before it happens, so you're prepared for specific obstacles, or can at least manage your expectations so you won't be stumped by unforeseen events.

Accept your Problems

When you face challenges beyond your control, don't give up. Accept them and move on. Thomas Jefferson accepted his speech impediment, but didn't allow it to hold him back from his dream of being a politician. Instead of trying to become a great orator, he focused on cultivating his strength in writing, and became one of the most prolific writers of his time.

KEY QUOTES

"Nobody is born with a steel backbone. We have to forge that ourselves."

"When the cause of our problem lies outside of us, we are better for accepting it and moving on."

Constraints can be blessings in disguise as they push us to explore new skills and solutions. Accept your weaknesses so you can address them and forge new paths which you may not otherwise have considered.

Love Everything, including your Obstacles

Be grateful for your problems and the opportunities they bring. The Romans dubbed this *amor fati*, a "love of fate". When Thomas Edison was told that his house and labs (along with his years of research and prototypes) were on fire, he didn't despair. Knowing he couldn't reverse the event, he called his family to enjoy the beautiful, colourful fire being produced from the lab chemicals. Then, he rebuilt everything with vigor. Within 1 year, he made back 10x of what was lost.

Accepting something is better than feeling bitter and frustrated. But, the *best* response is to embrace the situation and take action cheerfully to create the biggest possible impact.

Persevere Till the End

Persistence is about sticking it out till you overcome an obstacle. Perseverance is about confronting obstacle after obstacle, never giving up no matter how many rounds of problems you face. After 10 years at war, legendary Greek hero Odysseus was blown away from his homeland just before reaching its shores. He persevered through another 10 years of life-threatening trials before he eventually made it home.

Know that you are capable of overcoming anything with unassailable will and purpose. Be prepared to play the long game.

KEY QUOTES

"We don't get to choose what happens to us, but we can always choose how we feel about it."

"Perseverance is something larger. It's the long game. It's about what happens not just in round one but in round two and every round after...until the end."

Focus on Helping Others

When you're facing a huge challenge, focusing on yourself will only make you feel all alone, leading to despair and hopelessness. However, when you focus on a wider purpose or how your actions will impact others, it distracts you from your own fears/pain and gives you strength to go on. When Commander James Stockdale was captured during the Vietnam War, he knew that he'd inevitably be tortured for information. Instead of worrying about his own survival, he focused on his mission and role as a leader. He used his energy to create a support network amongst his fellow prisoners, gave them a purpose and helped them (and himself) to survive the dire situation.

Strength is more easily found in service to others. Fortify your will by focusing on something bigger than yourself.

Contemplate Death

Every human being will die. In fact, you could die at any moment without warning. Contemplate mortality by asking yourself: what would you do if you only had a short period left to live? Then, live your life as if that were the case. After nearly dying in a horse-riding accident, French nobleman Michel de Montaigne stopped fearing death. He embraced life and went on to become a famous writer, mayor, dignitary, and royal confidante.

Use your mortality to create urgency. Seize the day and live intentionally. When you can embrace death—the biggest possible obstacle in your life—all other challenges will seem small in comparison.

Embrace the Cycle of Life

Life will never stop throwing you challenges. In fact, the more you achieve, the bigger the challengers you'll face. Don't delude yourself into thinking that you'll ever be problem-free. Instead, pace yourself, keep things in perspective, continuously take action and grow

KEY QUOTES

"Lend a hand to others. Be strong for them, and it will make you stronger."

"Shared purpose gives us strength."

"Death doesn't make life pointless, but rather purposeful."

"See things for what they are. Do what we can. Endure and bear what we must."

stronger with every obstacle you conquer. Combine Perception, Action and Will, and let the obstacles lead the way.

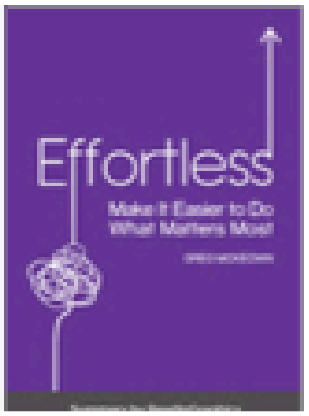
Other Details in the Book to Look out For

In this book, Holiday presents a series of stories and citations to show you how to perceive, take action and persevere in face of obstacles. In this summary, we've only outlined the key ideas and selected examples. For more details, please visit https://ryanholiday.net/.

About the Author

Ryan Holiday (born 1987) is an American author, marketer, entrepreneur and founder of Brass Check (a creative advisory firm). He began his professional career at the age of 19, and is a media strategist, a former director of marketing for American Apparel and a media columnist and editorat-large for the New York Observer. Holiday has been credited by the New York Times with the increasing popularity of stoicism.

KEY QUOTES



EFFORTLESS

Make It Easier to Do What Matters Most

GREG MCKEOWN

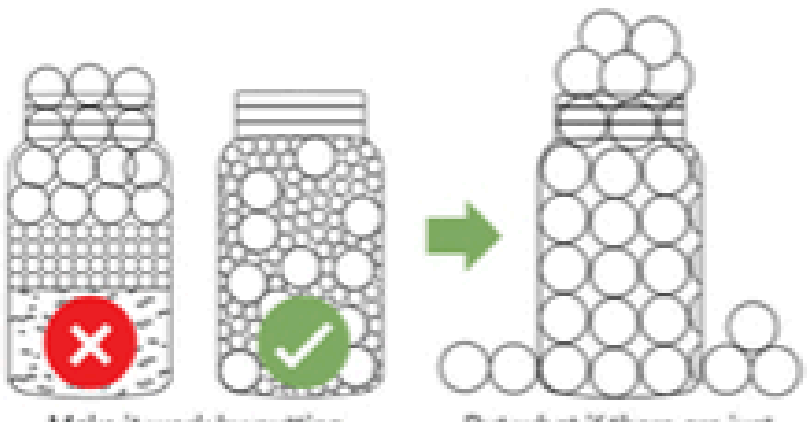
The Big "So What"

Do you sometimes feel like you're not making progress despite your best efforts? Or, do you feel so exhausted that you can't find the energy for your important tasks, or to even enjoy your successes? In his previous book, *Essentialism*, McKeown explained how to define the most essential things to focus on. In this book, he explains how to structure your work to make those essential activities also the easiest ones to achieve.

Introduction

When we feel overwhelmed, we tend to work harder. Yet, all of us have a finite amount of time and energy. You can only push yourself so far before you eventually burn out.

- This is like trying to fit a mix of rocks, pebbles and sand into a jar. The best approach is to start with the rocks (your biggest priorities), followed by the pebbles, then the sand. But, what happens if there are just too many rocks to fit into the jar? If you've already distilled down to the most essential stuff and there's still not enough time, then you need a different approach.



Make it work by putting the rocks first.

But what if there are just too many rocks?

KEY QUOTES

"Essentialism was about doing the right things; Effortless is about doing them in the right way."

"This book may not make every hard thing easy to approach and carry, but I believe it can make many hard things easier."

"What does one do when they've stripped life down to the essentials and it's still too much?"

"Effortless" is about fundamentally changing how you work.

- *Make the most essential activities the easiest to do*, so you needn't push so hard to get your desired outcomes.
- In the next sections, we'll explain the *3-part Effortless approach*:

  (i) Get into the *Effortless State*, where you're relaxed and performing optimally;

  (ii) Take *Effortless Action* to get better results with less effort; and

  (iii) Enjoy *Effortless Results* with repeated benefits from the same effort.

Part 1: Get into The Effortless State

The brain is like a computer. It has huge computing abilities, but slows down when its capacity is maxed out. When you're tired or distracted, you cannot operate optimally and any activity seems harder and more effortful. However, after a meal and a good night's rest, you feel refreshed and everything seems easier.

The Effortless State is where you're functioning at an optimal mental, emotional, and physical condition. You feel well-rested, light, clear-headed, energized, and focused. You can operate at peak performance to finish your most essential tasks with minimal effort.

Invert: Make it Easy

When something feels impossibly difficult, look for an easier or simpler way to achieve the same outcome.

"This is so hard."

"Is there an easier way?"

KEY QUOTES

"What could happen in your life if the easy but pointless things became harder and the essential things became easier?"

"The Effortless State is one in which you are physically rested, emotionally unburdened, and mentally energized...You are able to do what matters most with ease."

Do not overcomplicate things and overwhelm yourself unnecessarily.

- *Effort ≠ Value*. We've been conditioned to believe that anything worthwhile requires effort, and anything effortless is bad (e.g. "taking the easy way out" or "making easy money"). That's untrue.

- In fact, our brain is designed to take the *path of least effort*, and we naturally resist things that seem hard. The more you overthink an issue, the more you procrastinate.

Invert your thinking to see problems from an opposite viewpoint:

- *Ask if the contrary could be true*. Instead of thinking "this is so hard", ask "Is there an easier way?" or "What's the simplest way to achieve this outcome?"

- *Challenge the "right" way to do things*. For example, Southwest Airlines was debating whether to invest in a $2mil ticketing system to print, issue and check airline tickets. They challenged their assumptions of what an airline ticket must look like, and found a drastically cheaper and simpler solution—to just print their tickets on normal paper.

  (i) How can you *eliminate or reduce the complexities* so a tiny effort can bring massive results?

  (ii) Instead of fighting something head-on, can you find an *indirect approach*?

Enjoy: Make it Fun

Work and play aren't mutually exclusive. Combine or pair your most essential activities with your most enjoyable ones.

The more you enjoy something, the more you'll do it consistently or look forward to it. On the other hand, if you dread something, you'll find excuses to put it off. So ask yourself, "How can I make this more fun/enjoyable?"

KEY QUOTES

"What if the biggest thing keeping us from doing what matters is the false assumption that it has to take tremendous effort?"

"When we remove the complexity, even the slightest effort can move what matters forward."

- For example, Comic Relief combines fund-raising with comedy to make it both desirable and fun for people to give to charity. During the annual *Red Nose Day*, people can enjoy themselves by donning red clown noses, contributing to, and participating in fundraising activities with celebrities/ comedians.

Pair or combine essential activities with immediate rewards or something you love.

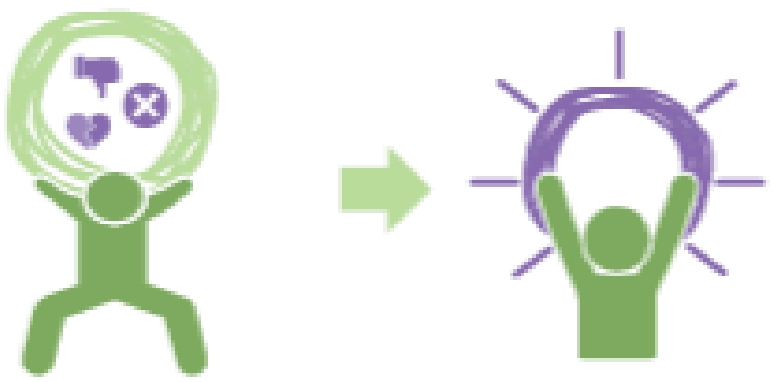
- For example, try listening to your favorite audiobook only when you're at the gym. This creates an *instant reward* to make exercising enjoyable in itself, rather than having to wait for months to see the results.

- Combine your essential activities with the *things you love*. For example, everyone in McKeown's family used to dread cleaning up after dinner—until they turned the chore into a singalong session with Disney classics blasting in the background.

Convert essential tasks into meaningful rituals. For example, Marie Kondo advocates designating a spot for each item in your house, so you can return them home lovingly after each use, thus making tidying up a form of ritual. Form your rituals with formulas like "After I do X, I'll do Y" or "As I do X, I'll do Y."

Release: Lighten your Load

Let go of emotional burdens that weigh you down and blind you to possibilities.



Often, we unknowingly carry emotional burdens, such as old grudges and regrets, or outdated goals and principles. These take up mental-emotional space and weigh us down.

- When you encounter a setback or tragedy, it doesn't help to lament your loss or blame others. *Set yourself free* by

KEY QUOTES

"By pairing essential activities with enjoyable ones, we can make tackling even the most tedious and overwhelming tasks more effortless."

"Our rituals are habits we have put our thumbprint on. Our rituals are habits with a soul."

"Grudges cost us resources but don't deliver a satisfying return on our investment. So we must relieve a grudge of its duties."

"When we let go of our need to punish those who've hurt us, it's not the culprit who is freed. We are freed."

accepting what has happened, forgiving others and yourself, and letting go of your pain and grudges.

Focus on what you have, not what you lack. The more you complain about your circumstances and dwell on what you lack, the more drained you feel, which leads to a negative spiral. The more you focus on gratitude and what you have, the more you see new possibilities to start a positive spiral.

Consciously turn negativity to gratitude.

- Each time you *complain*, make sure you follow by saying something you're grateful for. For instance, if you hear yourself saying, "Traffic was terrible", add on "I'm grateful I made it here safely!" With time, you start to notice your complaints, reframe your perspectives habitually, and may even catch a complaint before you finish the thought or sentence.

- Use the same approach to *counter negativity from others*. For example, if a teammate complains about her workload for a major project, remind yourself that you're glad to be working on such a meaningful project.

Rest: Recover Fully

Tap on your body's natural rhythms and cycles by alternating between periods of exertion and renewal.

If you keep pushing yourself to work longer and harder, your performance will eventually decline, and you may burn out or hurt your health. The best-performing professionals take periodic breaks to recover on a daily, weekly and monthly basis.

Alternate between periods of exertion vs renewal.

- Tap on your body's natural *90-minute cycles*. For example:

KEY QUOTES

"When you focus on what you lack, you lose what you have. When you focus on what you have, you get what you lack."

"There is an ebb and flow to life. Rhythms are in everything we do. There are times to push hard and times to rest and recuperate."

(i) Devote your mornings to the most essential work; and

(ii) Break down each morning into 3 x 90 minute sessions, with a 10-15 minute break between each session.

- If you're already struggling, it's counterproductive to push harder. Take a *short break* (even for 1 minute) to recover and resume at a higher level of performance.

Sleep is absolutely essential for peak performance and health.

- Aim for 8 hours' sleep every night. You body needs *enough quality sleep* to fully restore itself. Research found that people who regularly sleep <7 hours a night are more prone to a host of health issues, such as cardiovascular diseases, strokes, diabetes and arthritis. A lack of sleep also negatively affects your creativity, alertness, and social interactions.

- You can partially offset a sleep debt by *napping*.

(i) If you feel too tired to focus, take a short nap to refresh yourself. A 90-minute nap can deliver similar learning benefits to 8 hours of sleep.

(ii) We often get creative ideas while we dream. Place a pencil and notepad next to you when you nap, so you can quickly capture the ideas when you wake up.

Notice: See Things Clearly

Train your mind to focus and tune out distractions, so you can be fully present to the details and information around you.

Often, we're so distracted by the noise around us that we fail to notice what's truly important. In the Effortless State, you are operating with heightened awareness, which allows you to notice complex, fast-moving details/information, zoom in on what's important, and process the information effectively.

KEY QUOTES

"Do not do more today than you can completely recover from today. Do not do more this week than you can completely recover from this week."

"Getting more sleep may be the single greatest gift we can give our bodies, our minds, and even, it turns out, our bottom lines."

"It's not the noticing itself that's hard. It's ignoring all the noise in our environment that is hard."

When you're fully present in your interactions, you can also help others to gain clarity. Listen, ask clarifying questions, and reflect back what you've heard. Don't jump in with your views or judgments, as it may put the other person on the defensive or crowd out his/her ability to see and think clearly.

Train your mind to focus with this daily practice:

- Prepare your *space* (2 min): Find a quiet, decluttered area, turn off your phone, and ensure you won't be disturbed for 10 min.
- Relax your *body* (2 min): Sit comfortably with your back straight and your eyes closed. Breathe naturally and gradually relax all parts of your body.
- Clear your *mind* (2 min): Notice your thoughts as they surface and allow them to pass without dwelling on them.
- Free your *heart* (2 min): Think of someone who wronged you, say "I forgive you," and imagine cutting the chain between you.
- Relive a moment you're grateful for. Imagine yourself breathing in the *gratitude* (2 min).

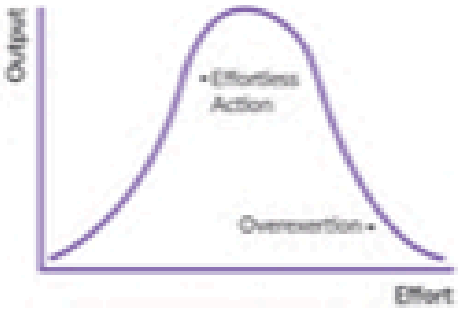
KEY QUOTES

"When we are fully present with another person, we see them more clearly. And we help them see themselves more clearly as well."

Part 2: Take Effortless Action

When we put in extra effort, it usually yields results to some extent before diminishing returns set in. This is when you start to get less output for the same amount of effort.

- Eventually, you may even get *negative returns*, e.g. if you get so tired that you make costly mistakes or get burned out.



Effortless Action is about achieving more results with less effort. It occurs when you get in flow and operate "in the zone". You take action with clarity, instinctively know what to do, and deliver great results with minimal effort.

"Past a certain point, more effort doesn't produce better performance. It sabotages our performance."

"The goal is to accomplish what matters by trying less, not more."

Define What "Done" Looks Like

Define your end-goals clearly to channel your time and effort effectively. Stop when you reach the finish line.

Often, we procrastinate because we don't know what to do. Once you have a crystal-clear idea of what the finish line looks like, you feel motivated to start taking action.

- Close your eyes and take 1 minute to *clearly visualize the finish line* or what "done" looks like. Then, describe it in concrete terms. For example, "getting fit" could mean "I can fit into my Puma sports attire and run 5km without stopping."

Define "done" for all aspects of your life:

- Only start on an *essential task/project* after defining the end-goal.
- Create a "*Done for the Day List*" daily. Limit this to tasks that contribute to your essential goals. You should feel satisfied if you finish all the items on the list at the end of the day.
- Define the things that to be done *while you're still alive*.

Start with the Obvious First Step

Identify the "minimum viable action" and take the first baby step.

To avoid getting overwhelmed, focus on identifying the "minimum viable action" toward your goal.

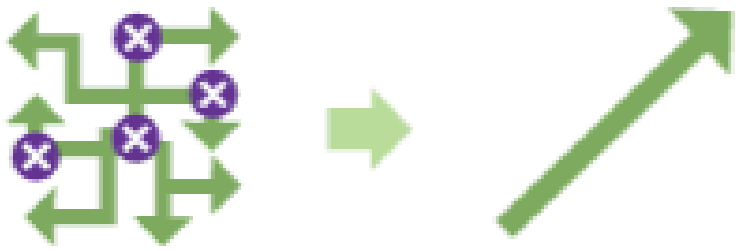
KEY QUOTES

- This is similar to a *minimum viable product* in business, i.e. building a prototype to test a product idea. For instance, Airbnb founders started by posting a few pictures of their apartment on a webpage, just to see if anyone would pay to stay at the apartment while they were away.

After you identify the first obvious action, break it down into the tiniest concrete step, then do 10 minutes of focused activity. For example, if you need to finish an article, the first obvious action is to get a pen/paper (or turn on your computer). Then, take 10 minutes to draft an outline. This mini burst of activity generates energy, motivation, and confidence to propel your next steps.

Simplify: Start From Zero

Start from a blank slate to define the minimum steps required for your desired results.



Don't start with a complex process then try to reduce it. Start from scratch by asking "what are the minimum steps needed to get the desired results?" Then, focus on those steps and remove all others.

- In 1998, online shopping was still very complex, and users had to fill in many fields before they could make a purchase. Amazon drastically changed the experience by creating the one-click ordering process.

Keep it simple. Don't try to go the extra mile just for the sake of doing so. For example, you don't need 50 slides to present an idea. In fact, you may not need any slides at all. It's better to complete your first step, then to aim for 10 steps and take none.

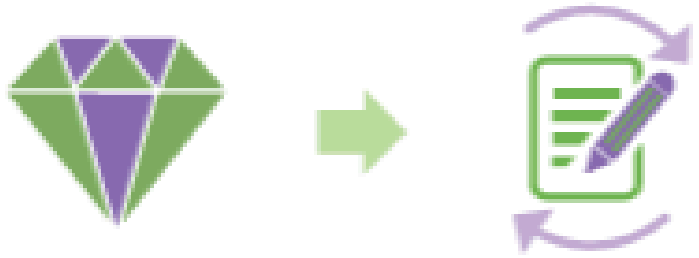
Progress: Do a Thrashy Draft

Start with an ugly first draft, then quickly learn and improve it.

KEY QUOTES

"The simplest steps are the ones you don't take."

"There is rarely a need to go that second mile beyond what's essential. It's better to go just the first mile than to not go anywhere at all."



Don't try to perfect everything from the onset. Start with a raw and ugly first draft, so you can learn quickly and advance from there.

- In 1959, industrialist Henry Kremer offered a prize for the design of the first human-powered aircraft that could fly in a figure-eight around 2 markers half-a-mile apart. Many of the well-funded teams focused on developing an elegant design. The winning team (led by Paul MacCready) focused on building an aircraft they could fly and maneuver. Their design was ugly and basic, but it allowed them to run hundreds of test flights, and to rapidly repair and redesign their aircraft each time it crashed.

- The same concept applies to any new endeavor. If you're learning a new language, keep practicing with people no matter how silly you sound. If you're writing a book, just put down your first words on paper no matter how bad they seem.

At the same time, minimize the cost of your failures so you can keep experimenting. Think of yourself like a toddler learning to walk—if you fall, just get up and try again until you succeed.

Pace: Move Faster at a Steady Pace

In the long run, it's faster to set a smooth, steady pace than to start and stop repeatedly.

Many people get caught in a boom-and-bust cycle. They sprint as fast as they can toward an important goal, then stop when they run out of steam. After some time, they feel guilty and dash forward again. The start-and-stop process ends up wearing them down.

KEY QUOTES

"There is no mastery without mistakes. And there is no learning later without the courage to be rubbish."

"To make effortless progress on what matters, learning-sized mistakes must be encouraged."

"Going too fast at the beginning will almost always slow us down the rest of the way."

It's much better to set a consistent pace that you can sustain.

- In 1911, 2 groups of mountaineers set out to scale the South Pole. One group covered 15 miles a day regardless of the weather. The other group pushed hard during good weather and hunkered down on bad days. In the end, the group with the steady pace succeeded, while the other group perished.

- The key is to *set an ideal range*, e.g. read between 5-30 pages a day, or walk 500-10000 steps a day.

  (i) The *lower limit* should be high enough to motivate you, but low enough to achieve even if you face unexpected obstacles.

  (ii) The *upper limit* should be high enough to challenge you, but not so high that it exhausts you.

Part 3: Achieve Effortless Results

Linear results give you one-time benefits with a 1:1 effort-to-output ratio. For example, you get paid for each hour you work, or must remind your kids to do the same chore daily. Your results are tied to the amount of effort you put in.

Residual results deliver repeated benefits with little or no additional effort. For example, you can write a book once and earn royalties for years, or make a chore so fun that your kids do it automatically.

- Residual results allow you to achieve exponential growth. They come from applying Effortless Action to *high-leverage activities*.

Learn: Tap on Others' Knowledge

Residual results can come from learning universal principles that you can apply over and over again.

- Good *methods or techniques* can be helpful in specific situations, but you must find new methods for different situations.

KEY QUOTES

"Producing a great result is good. Producing a great result with ease is better. Producing a great result with ease again and again is best."

"With residual results you exert effort once and reap the benefits again and again."

"A method may be useful once, to solve one specific type of problem. Principles, however, can be applied broadly and repeatedly."

- Look for *universal principles* that cut across different fields or scenarios. Once you grasp why something happens or how it works, you can apply the knowledge repeatedly, or even develop your own methods and strategies for different scenarios.

- For example, you might delight your spouse by cooking her favorite meatball spaghetti for dinner, but she'd get sick of it within a few days. However, if you can identify the *underlying principle* (to do thoughtful things that show how well you know her and how much you love her), you can delight her consistently.

The good news is, there are already established principles in many domains, from science to economics and business. The most powerful insights often come from combining existing knowledge across different fields.

- *Reading* is one of the best ways to learn. Prioritize books that have lasted the test of time (e.g. classics), read with the goal to understand the contents, and summarize what you've learned to internalize the ideas.

- Absorb what others already know, then combine the knowledge in your own way to *create a unique breakthrough*.

Lift: Leverage a Network

One of the best ways to reach the masses is to teach others to teach. For example, early in the Covid pandemic, *ProjectProtect* created 5 mil masks in 5 weeks to help address the severe mask shortage. They achieved this by recording a 5-minute video to teach people how to make masks, then called for volunteers to use the video and materials to teach/help others to create masks.

- When you teach others, you tend to pay more attention to details, and must understand the concepts enough to explain them in your own words. This *accelerates your own learning*.

Make your messages simple to understand, remember, and repeat. Create great stories that are easy to recall and share, like Aesop's Fables which have been passed on for centuries.

KEY QUOTES

"Stand on the shoulders of giants and leverage the best of what they know."

"Knowledge may open the door to an opportunity, but unique knowledge produces perpetual opportunities."

"Make the most essential things the easiest ones to teach and the easiest ones to learn."

"There is no better way to teach than through the power of stories."

Automate: Do It Just Once

Our brains have a finite capacity, and we're prone to mistakes when we're tired or overwhelmed. So, never rely on your memory for essential tasks. Create checklists for your most important and complex tasks, to minimize the risks of over-taxing your brains or making avoidable errors. Once you've created your checklists or cheat sheets, you can use them repeatedly.

Automate repeatable decisions or processes, e.g. automating bill payments, pre-scheduling your annual health checkups, or setting alerts when supplies fall below a certain threshold. Make the essentials high-tech and low-effort, and the non-essentials low-tech and high-effort.

Leverage the Power of Trust

Trust is like the lubricant that keeps your interactions and relationships running smoothly with minimal friction.

- You work more *quickly and effortlessly* with people you trust. You can easily exchange information, discuss issues, assign tasks, and focus on getting the essential work done instead of second-guessing one another and navigating politics.

- In 2003, Warren Buffett's Berkshire Hathaway bought McLane Distribution from Wal-Mart for >$1bil. This huge deal was closed in a 2-hour meeting, and the purchase completed in another 29 days without any due diligence. This was possible only because Buffett's past experience told him he could trust the other party. That's the *power of trust*.

Surround yourself with trustworthy people who can deliver the desired results reliably without constant supervision.

- Invest the time/effort to *hire the right people* from the onset. The wrong hires can be extremely costly as they may underperform, engage in unethical actions, and influence future hires and cultural norms.

- Build *high-trust structures* by setting clear goals and expectations, defining who to do what, and designing

KEY QUOTES

"As the world gets more complex, we all need tools to help us remember what's important."

"You can't have a high-performing team without high levels of trust."

"Taking a little time to build a foundation of trust is a valuable investment in any relationship."

incentives that align individual actions with the broader team/organizational goals.

Prevent Problems in Advance

Often, we're so busy fighting fires that we don't stop to find a more lasting solution.

- Don't just manage the symptoms. *Find and tackle the root cause* to resolve the issue once and for all. For example, instead of using medication to control your heart condition, fundamentally improve your health by changing your lifestyle and diet. Focus on problems that (i) generate the highest cumulative cost or irritation, and (ii) can be resolved quickly. For instance, it only takes a few minutes to lubricate the rails of your drawer so it doesn't get stuck each time you open it.

- You can also *take preventive measures*, e.g. setting up an alarm system to flag out warning signs. The earlier you identify the problem, the more likely you can resolve it successfully. For example, hospitals use machines to track patients' vital signs, with a list of triggers and warning signals to look out for.

Check your assumptions and data to avoid costly, preventable mistakes. For example, France's state-owned railway company SNCF purchased 2000 new trains, only to realize that they couldn't fit into a quarter of the train stations. It turned out they had used the dimensions for France's newer railway stations, not realizing that the older stations were designed with wider platforms.

Conclusion and Other Details in the Book

No matter what challenges or hardships you've encountered, how you choose to respond now will decide what happens down the road. Go for the lighter and more effortless path, not the heavier and more effortful one. Don't make life harder than it has to be.

This is a clear, easy-to-read book with many examples from McKeown's own experiences, references to other books and lessons from various thought leaders. The book also includes illustrations to bring the ideas to life. For more details, please visit https://gregmckeown.com/.

KEY QUOTES

"Don't just manage the problem. Solve it before it happens."

"Rather than simply hacking at the branches, try striking at the root."

"Mistakes are dominoes: they have a cascading effect."

"If you take away just one message from this book, I hope it is this: life doesn't have to be as hard and complicated as we make it."

UNSHAKEABLE

Your Financial Freedom Playbook

TONY ROBBINS
(WITH PETER MALLOUK)

The Big "So What"

How do financial masters like Warren Buffett, Alan Greenspan and David Swensen win in financial markets, and what can we learn from them? Based on insights from 50 financial masters, this book explains the rules of the financial game, the key players and their agenda, and how you can ride the financial storm to arrive safely at your desired destination.

Introduction

Today's financial markets seem more volatile and uncertain than ever. Since the last financial crisis of 2008, the American stock market has been on a bull run, and people are anticipating an impending crash.

Over 7 years, Robbins interviewed some 50 financial masters, including self-made billionaires, legendary investors and the top financial minds, like Warren Buffett, Alan Greenspan, David Swensen, Ray Dalio, Jack Bogle, Mary Callahan Erdoes, T. Boone Pickens, Carl Icahn and John Paulson. This culminated in his earlier book "*Money: Master the Game*". This book, published in 2017, zooms in on the current market fears and realities, and what the average person can do to build your financial freedom. While the book is US-centric, the ideas are applicable to anyone interested to improve your financial future and retirement plans.

Being Unshakeable

What if you knew that no matter what happens to the economy, you'll be financially secure, and have more than enough for yourself, your loved ones and your contributions? That deep sense of peace and freedom is what being "unshakeable" means. It gives you control and puts you in the driver seat.

KEY QUOTES

"The decisions you will be equipped to make after reading this short book can bring you a whole new level of inner peace, fulfilment, comfort, and financial freedom that most humans only dream of achieving."

"What most people really want, regardless of how much money they have today, is freedom."

"Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver."
- Ayn Rand

"It's not just a matter of money. It's a state of mind. When you're truly unshakeable, you have unwavering confidence even amidst the storm."

In this book, Tony coaches you to make sense of the financial markets, and develop an action plan to get you to your goals. This summary is presented in 3 parts:

- Know the Rules
- Your Unshakeable Playbook
- Mastering the Psychology of Wealth

Part 1: Know the Rules

To win the game, you must know the rules. In this segment, we'll look at several important financial concepts and facts.

Financial Markets 101

Compounding is a powerful force to leverage for your financial goals. Let's look at 2 scenarios:

Person A	Person B
Invests $300 a month for 8 years (19 to 27 y.o.) at 10% compound returns per year.	Invests $300 a month for 38 years (27 to 65 y.o.) at 10% compound returns per year.
Total capital invested: $28,800 Amount at 65 y.o.: $1.86 mil	Total capital invested: $140,000 Amount at 65 y.o.: $1.59 mil

- Simply by *starting earlier*, you can harness the power of compounding to build a larger nest egg with a fraction of the capital. You can retire comfortably even with a small income.

- The key is to *pay yourself first*. Set aside, say, 10% of your monthly income for your financial freedom fund, before you pay for other expenses. Even if you're struggling financially, you can start with 3%, then gradually increase it to 10% or even 15% over time.

- As a *rule of thumb*, to be financially secure, you should aim to retire with 20x of your current income, i.e. if you earn $100,000 a year, you should aim for $2mil retirement funds.

KEY QUOTES

"You can't win this game unless you have the emotional fortitude to get in it and stay in it for the long term."

"You're never going to earn your way to financial freedom. The real route to riches is to set aside a portion of your money and invest it so that it compounds over many year."

Here are several basic **terms/ concepts** to know:

- *Terms*: If a market falls by ≥10% from its peak, it's called a "correction". If it falls by ≥20% from the peak, it's called a "bear market".

- There are 3 main *types of funds*:

  - *Hedge funds* are private funds for high networth clients. Fund managers usually charge 2% management fees and a profit share (of say, 20%).

  - *Mutual funds* are portfolios of stocks, bonds or assets, that are available to anyone. They form the majority of funds in the market. Such funds are actively managed by professionals, who charge fees for their services, supposedly to deliver better-than-market returns. However, we'll show later how 96% of such funds are actually underperforming.

  - *Index funds* are public funds with no "active" managers. They simply buy and hold all the stocks in an index, e.g. all 500 stocks in the S&P 500 index.

Know the 7 "Freedom Facts"

These 7 facts will help to free you from much of the irrational fear and anxiety about financial markets.

Corrections happen annually on average. Since 1900, there has been about 1 correction per year, lasting 54 days each, on average. The average correction was 13.5% (over the last 100 years) or 14.2% (from 1980-2015).

Less than 20% of corrections become bear markets, i.e. 80% do not become bear markets. Thus, corrections are a routine part of the financial markets, and are generally no cause for alarm.

Despite short-term dips, the stock market always rises in the long term. Despite an average 14.2% annual correction and major events (like the Gulf wars and 9/11), the US market showed positive returns for 27 out of the last 36 years. It's hard to be sure any stock or company will do well in the

KEY QUOTES

"The biggest danger isn't a correction or a bear market, it's being out of the market."

"The problem is, most funds do a terrific job of charging high fees but a terrible job of picking successful investments."

"The last thing you and I want is to make fear-based financial decisions."

"Once you recognize the patterns in the financial markets, you can adapt to them, utilize them, and profit from them."

"Prediction is very difficult, especially about the future."
- Niels Boh

long term, but it's safe to assume the stock market will increase in the long run so long as the economy continues to grow and expand.

No one can steadily predict if the market will rise or fall. For example, Dr. Roubini was famous for predicting the 2008 financial meltdown. But, he also incorrectly predicted a recession every year from 2004 to 2007! In the book, Robbins lists many examples of the market going in the opposite direction of "expert forecasts." The good news is, you don't need to predict the market to win. You just need to capture the natural market growth.

Historically, Bear Markets occurred every 3-5 years. There were 34 bear markets in 115 years (from 1900-2015). In less than a third of these bear markets, the index fell by more than 40%.

Bear markets become bull markets. Every bear market in US history has been followed by a bull market, including the 2008 financial crash. Since stock markets look at tomorrow (not today), the lowest point of consumer confidence is always a sign that the market will pick up. However, this may not hold true for all countries—Japan, for instance, never fully recovered to the Nikkei peak after nearly 3 decades since the 1989 crash.

The greatest risk is to be out of the market. JPMorgan found that 60% of the best US market days over the last 20 years happened within 2 weeks of the 10 worst days. In the book, Robbins illustrates how your returns could be greatly reduced just by missing the top trading days. Since you can't predict the market and get in/out successfully, you're better off staying in the market, and tapping on the power of compounding.

Know Your Costs

In the book, Robbins explains why you may be losing huge amounts of your investment to funds that overcharge and underperform.

Fees can destroy 2/3 of your gains. Most actively-managed funds charge about 2% p.a.—these add up to massively erode your gains. At 7% compounded returns, $1 should become $30 in 50 years. But, with 2% lost each year, there's less to compound, and you end up with only $10. In short, you lose

KEY QUOTES

"One of the greatest lessons I've learned from all these money masters is that you don't have to predict the future to win this game."

"The market generally rises over the long run—even though we hit a huge number of potholes along the way."

"Financial winter is always followed by spring."

"One of the most fundamental rules for achieving long-term financial success is that you need to get in the market and stay in it, so you can capture all of its gains."

"If you stay in the market long enough, compounding works its magic, and you end up with a healthy return—even if your timing was hopelessly unlucky."

"When it comes to your finances, ignorance is not bliss."

2/3 of your gains, despite bearing 100% of the capital and risks.

In fact, funds can cost more than 2% p.a. due to **taxes and other hidden costs.**

- Unless the fund is in a tax-deferred account, it's taxed every time the fund managers sell stocks at a profit. The *taxes* could be as high as 30%; that's why most funds show their pre-tax returns (rather than the lower post-tax returns).

- The 401(k) plans in the USA also come with many other *hidden fees and charges* (which we'll touch on later). A Forbes article showed that the true cost of a mutual fund could be 3.17% a year (for a non-taxable account) and 4.17% (for a taxable account).

A study of 203 funds (each with ≥$100mil in assets) revealed that, from 1984-1998, **only 4% of the funds actually beat the S&P 500 index.** In short, 96% of the fund managers didn't add value, despite charging high fees. Why is that?

- Fund managers aren't really better at *predicting* the markets than the layman. Instead, each time they trade a stock, the brokerage firms charge a *commission* for the transaction, and profits may be taxed.

- Fund managers tend to keep some cash on hand in case good opportunities surface, but this means *opportunity cost*.

Robbins recommends that you **buy index funds instead.** Such funds include every stock on the index, thus they are diversified, conduct fewer trades, don't require costly fund managers, and the cash is almost fully invested at all times.

- Index funds typically cost only 0.05%, which is 60x less expensive than an actively-managed fund with 3% fee p.a. At the same compounded returns over 30 years, $100,000 will grow to $865,000 in an index fund, but only $548,000 in an actively-managed fund.

- Even Warren Buffett himself has instructed that the trust money for his wife is to be invested in low-cost index funds after his death. So why not you and I?

KEY QUOTES

"We can't control what the markets will do, but we can control how much we pay for our investments."
-John C. Bogle

"It turns out that the professionals aren't really any better at predicting the future than the rest of us."

Rescuing our Retirement Plans

The US' 401(k) plan was created in 1984 to allow tax-deductible contributions to a retirement account. Unfortunately, this has been exploited by financial firms, at Americans' expense.

Until 2012, financial firms weren't required to disclose how much they charged clients. Even today, disclosure documents are still so complex that it's **hard to decipher the details**. 71% of Americans think they aren't paying any fees for their 401(k) plan, while 92% don't know how much they are paying.

A senior policy analyst at Demos examined 20 funds in his 401(k) plan and found that, in addition to the 3.17% fees mentioned by Forbes, there were **17 other fees and costs**. He estimated that an average worker who earned $30,000 a year and saved 5% of his income would lose more than $154,000 in lifetime fees.

- Most funds listed in the 401(k) plan are actively-managed funds that charge *recurring fees*, or even "*front-end loads*" of up to 3%. These erode your invested capital.

- Low-cost index funds aren't typically included, or are included with a huge *mark-up* (e.g. charges of 1.68% p.a. when the cost is only 0.05%, and/or with additional sales loads).

During the Obama administration, the Congress tried to force the 401(k) providers to act in their clients' best interests, but the **regulations** had nominal impact, and may be reversed under the Trump administration. Teachers, nurses, and non-profit employees could be even worse off, as their 403(b) plans aren't protected by the ERISA (Employee Retirement Income Security Act of 1974).

Robbins found that his own company's 401(k) plan cost 2.17% in annual fees. He switched to Abk, which only charged 0.65% a year, saving 70% of the original annual expenses. Robbins recommends that you **analyse your plan** at www.ShowMeTheFees.com, and switch (or encourage your employer to switch) to better options if need be.

KEY QUOTES

Who can you really trust?

Financial advisors (FAs) can offer great value in your investments, taxes, insurance etc. The challenge is to identify the ones you can trust. Learn to distinguish between 3 types of advisors:

Brokers: 90% of all FAs in America are brokers, i.e. they are paid commissions to sell products. They have to ensure their recommendations are "suitable" for the clients, but need not act in the clients' best interest. Hence, it's common for brokers to recommend products with higher commissions.

Registered Investment Advisors (RIAs). Out of more than 300,000 FAs in the US, only 10% are RIAs. RIAs have a fiduciary duty and legal obligation to act in their clients' best interests at all times. They don't earn a commission, but charge a flat fee for financial advice, or a percentage of the clients' assets under management.

Dually Registered Advisors. Unfortunately, most RIAs are registered both as brokers and fiduciaries. This means they can still make commissions while charging an advisory fee. In fact, some advisory firms have 2 arms—an RIA service and a sister company (under a different brand) that offers mutual funds. In such cases, the RIA tends to be biased toward the sister company funds.

The best option is an RIA who's a true fiduciary—someone who'll put your interest first, and has the necessary skills/experience. Use these 7 questions to filter your FAs:

- Are you a **Registered Investment Advisor**? [If "no", walk away.]
- Are you/your firm affiliated with a **broker-dealer**? [If "yes", walk away.]
- Does your firm offer **proprietary mutual funds or separately managed accounts**? [If "yes", be extra-cautious.]
- Do you/your firm get **third-party compensation** for recommending specific investments? [If "yes", be extra-cautious.]
- What's your **philosophy** on investing? [Make sure your philosophies are aligned (e.g. if they believe in stock-picking vs

KEY QUOTES

diversification), and find someone you can relate to on a personal level.]

- What **financial planning services** do you offer beyond investment strategy and portfolio management? [Ideally, the FA can also help you to save money on mortgage, insurance, taxes etc. as your wealth grows. Check their *credentials* to ensure they have the right skills, e.g. certified financial planners, or estate planning attorneys.]

- Where will my money be held? [An RIA should use a **third-party custodian** to hold your funds. Look for a *strong track record* for other clients like you.]

Robbins recommends Creative Planning (which is run by co-author, Peter Mallouk, and for which Robbins is a board member and Chief of Investor Psychology) as a good FA option to consider.

Part 2: Your Unshakeable Playbook

The Core Four

Success leaves clues. By modelling the patterns of successful people, you can shorten your learning curve. From his interviews, Robbins found 4 key principles that all great investors use to guide their investment decisions. He calls them the "Core Four".

The principles may seem simple, but the challenge is to actually apply them, and enter an investment only if it meets all 4 criteria.

Don't Lose. It's much harder to make back what you've lost than to protect your investments. The best solution is to *diversify your asset allocation*, such that you're ok even if the market moves in an unexpected way. Only consider an investment if you can minimize the downside.

Asymmetric Risk/Reward. "High-risk, high-return" is an investment myth. The smartest investors look for opportunities where the *rewards greatly outweigh the risks*. For instance, Richard Branson started Virgin Atlantic Airways by negotiating a deal that allowed him to return the planes if the business didn't work out—this minimized his downside

KEY QUOTES

"The key is to recognize these consistently successful patterns and to model them... These patterns provide the playbook for your success."

"The more money you lose, the harder it is to get back to where you started."

"These winning investors always seek to risk as little as possible to make as much as possible. That's the investor's equivalent of nirvana."

while preserving his upside. You can apply this principle by investing in undervalued assets during times of extreme gloom and pessimism. That's one of Warren Buffett's strategies, though he typically restructures his investments to further improve the asymmetry.

Tax Efficiency. Taxes can easily wipe out 30% or more of your investment returns. Rather than look at pretax returns, you should maximize your *net returns*. As a rule of thumb, stay away from actively-managed funds that trade a lot.

Diversification. Don't put all your eggs in one basket. You can diversify *across asset classes* (e.g. real estate vs stocks), *within asset classes* (e.g. different types of stock), and *across markets, countries, currencies, or time*.

Prepare for the Bear Market

Surviving a bear market is 90% preparation and 10% staying calm during the storm. Co-author Peter Mallouk shares how Creative Planning handled the 2008 crisis, and grew the firm's assets-under-management from $500mil in 2008 to more than $1.8mil in 2010, and $22 bil in early 2017. You can use the same approach and principles to prepare for and survive the next bear market.

Customize your asset allocation to meet your goals, based on your unique financial situation, and to minimize your tax liabilities. Your portfolio could include these components:

- *Stocks* are basically partial ownership of businesses. In the short run, stocks are completely unpredictable. But in the long-run, economic growth always drives up stock prices. Thus, the key is to live within your means, so you won't be forced to sell your stocks during a bear market to free up cash.

- *Bonds* are money that you loan to a government, company or other entity. Your returns will depend on the risk and duration of the loan. Bonds are less risky, but the yields are also generally low. During the 2008 crisis, Creative Planning sold some of the clients' bonds to buy stocks.

KEY QUOTES

"It's not what they earn that counts. It's what they keep. That's real money."

"You can never know what the stock market will do. But that uncertainty isn't an excuse for inaction."

"Bear markets are either the best of times or the worst of times, depending on your decisions."
- Peter Mallouk

"A simple rule dictates my buying: be fearful when others are greedy, and be greedy when others are fearful."
- Warren Buffett

- *Alternative investments* are anything other than cash, stocks or bonds, and can include: Real Estate Investment Trusts (REITs), Private Equity Funds, Master Limited Partnerships, Gold, Hedge Funds.

Creative Planning uses these "**Core and Explore**" principles:

- *Asset allocation drives returns*. Work with a qualified advisor to customize your mix of stocks, bonds, and alternatives. Diversify your portfolio by investing in different asset classes, so you balance out the risk characteristics and rates of return, to get your overall desired returns at an acceptable risk level.

- Always have a *financial cushion*, so you won't be forced to sell your stocks at the wrong price. Creative Planning uses the "rule of seven", i.e. ideally have 7 years of income set aside in income-producing investments (e.g. bonds and MLPs), so you can use these assets in the short term if the stock market crashes.

- Use *index funds* for the core of your portfolio, and explore other stocks and alternatives at the margins.

- *Rebalance* your portfolio (say, annually) to keep it to your original asset allocation.

Putting the above in place will allay some of your fears and prepare yourself to weather a bear market.

Part 3: Mastering the Psychology of Wealth

Neuroscientists found that the parts of our brain that process financial losses are the same ones that deal with mortal threats. During a financial crisis, our fight-freeze-flee instinct kicks in and we sabotage our own financial goals. The solution is to establish systems to neutralize our natural human tendencies, e.g. Paul Tudor Jones sets up checklists and systems to ensure he sticks to his success formula: only go for hard trades with asymmetric rewards/risk of 5:1, and stick to his target entry/exit prices.

KEY QUOTES

"The short-term outlook may look dire, but the stock market always rebounds."

"The single biggest threat to your financial well-being is your own brain."

"Psychology either makes you or breaks you, so it's imperative to have a robust system that enables you to stay on target."

Mastering your Mind: Overcoming 6 Common Mistakes

Positive Biases. Humans find evidence to support what we already believe (confirmation bias) and place more value on what we already own (endowment effect). To avoid biases toward stocks/funds that we like/own, *seek differing opinions* from qualified people. Ask questions like: What am I missing? What's the downside? Who else can offer a deeper perspective?

Recency Bias. Investors tend to assume the recent trends will continue into the future. Thus, they tend to buy high during a bull market and sell low during a bear market. To avoid poor, emotional choices, *create a list of simple rules*, so you can rebalance and stay on target when you're emotional.

Overconfidence. We tend to overestimate ourselves, including our ability to predict the future or pick the right stocks. Be honest with yourself—acknowledge that you're unlikely to outwit the top investors or beat the market. Instead seek to *capture the market returns* and invest in index funds instead.

Greed & impatience. We've explained why long-term compounding is the smartest way to invest. Yet, we fall for media hype and take gambles in hope of quick gains. Short-term speculations always lose out to *long-term investing*. Guy Spier recommends that you stop watching the market and financial news daily; instead, check your portfolio only once a year, so you'll maintain a long-term focus.

Home bias. We tend to invest more in what we're familiar with, e.g. our own country or industry. *Diversify broadly* into different asset classes and countries. Write down why you own what you own, as a *reminder* to yourself when things look less rosy.

Negative Biases. Humans tend to recall negative experiences more vividly than positive ones (negativity bias), and we feel twice as much pain from losses than pleasure from gains (loss aversion). During market turmoil, we're flooded by fear of potential losses. To overcome this, *be prepared*—put the above measures in place, and have a seasoned FA who'll keep you on-track during tough times.

KEY QUOTES

"Investors project out into the future what they have most recently been seeing."
- Warren Buffett

"By admitting to yourself that you have no special advantage, you give yourself an enormous advantage!"

"The best way to win the game of investing is to achieve sustainable long term returns."

"The single best way to handle market turmoil—and the fears it can trigger—is to be prepared for it."

Real Wealth

Money is just the means to an end. Fundamentally, all of us desire an amazing life; we want to be rich not for money per se, but for the *emotions* associated with money, e.g. freedom, respect, security. Robbins ends the book by sharing how we can achieve both financial and emotional wealth, by mastering 2 additional skills:

Achievement (mastering your external world):

- When you *focus* fully on something, your brain will find a way to help you achieve it.
- *Take massive action*, and refine your approach to find an effective strategy. Studying role models speeds up your learning.
- The more you're grateful for *Grace* (or luck/God) in your life, the more it flows to you.

Fulfilment (mastering your internal world):

- *Progress*: To be happy, you must keep growing.
- *Give*: The key to fulfilment is to satisfy our inherent desire to contribute.

In fact, there's one decision that you can make to start transforming your life this instant: choose to be in a Beautiful State of mind (where you're alive, in harmony with yourself and feel positive emotions like love, joy, gratitude, ease, and fun), rather than a Suffering State (where you're stressed, worried, frustrated, fearful etc.).

- Our **suffering** is triggered by thoughts of *loss* (or potential loss), having *less* of something we value, or believing we can *never* have something we want (e.g. love, respect).
- You can choose a beautiful state of mind, simply by **shifting the focus** of your thoughts.
  - *90-second rule*: Once you catch yourself having negative thoughts and tension, take a breath, step away from the situation, and focus instead on something (anything) that you appreciate. Don't allow the negative thoughts to fester.

KEY QUOTES

"Real wealth is emotional, psychological, and spiritual."

"Wherever your focus goes, your energy flows."

"The more you acknowledge grace in your life, the more you seem to have it!"

"Everything in life either grows or dies."

"I can tell you the secret to happiness in one word: progress."

"If you make the decision to master your own mind, you'll be mentally equipped to handle whatever challenges come your way."

"Take all your negative thoughts and all of your negative emotions, trade them for appreciation, and your whole life changes in an instant."

- Use the *2-minute gratitude meditation* to transfer your negative charges to positive charges. A guided recording of the 7-step meditation is available at www.unshakeable.com.

Other Details in the Book to Look out For

In the book, Robbins offers many illustrations and examples to reinforce his message. He also recommends additional resources such as:

- Get free podcasts and videos at www.unshakeable.com, including a free mobile app to help you work out how much you need to save and invest to reach your financial goals;
- Analyze your 401(k) plans and fees at Abk's website www.ShowMeTheFees.com; and
- Get a non-obligatory assessment from one of Creative Planning's wealth managers at www.getasecondopinion.com, to see if your current advisor is indeed working in your best interest.

About the Authors

Anthony ("Tony") Robbins (born 1960) is an American businessman, best-selling author, and philanthropist. He's an authority on the psychology of leadership, negotiations and organizational turnaround, and has served as an advisor to leaders around the world for more than 38 years. He has also created the #1 personal and professional development program of all time, and more than 4 million people have attended his live seminars.

He has been honored by Accenture as one of the "Top 50 Business Intellectuals in the World"; by Harvard Business Press as one of the "Top 200 Business Gurus", and he was recently named in the top 50 of Worth Magazine's 100 most powerful people in global finance. For more details, visit www.tonyrobbins.com.

KEY QUOTES

"I truly believe that success without fulfilment is the ultimate failure."

"Remember: money doesn't change people. It just magnifies who they already are."

"If you fail to master your own psychology, you may ultimately become the victim of a costly form of financial self-sabotage."

THE ONE THING

The Surprisingly Simple Truth behind Extraordinary Results

Gary Keller (with Jay Papasan)

The Big "So What"

Keller identified that there's ONE Thing that's behind every successful person or organization. He shows how we can concurrently have less and more, to get extra-ordinary results and lead an extra-ordinary life:

- Less distractions and things to do
- More productivity, income, satisfaction, time etc.

The ONE Thing

The key idea in the book is to focus on this question: What's the ONE Thing you can do, such that by doing it, everything else will be easier or unnecessary?

Going Small

Those who truly succeed understand what it means to go small:

- Ignore all the things you could do. Just do what you should do.
- Not all things matter equally. Find the things that matter most.
- Extraordinary results are directly determined by how narrow you can make your focus.

The Domino Effect: Harness the Power of Geometric Progression

If you started with a 2-inch domino, and increased the size of each subsequent domino by 50%, the 57th domino would practically bridge the distance between the earth and the moon. That's the power of geometric progression.

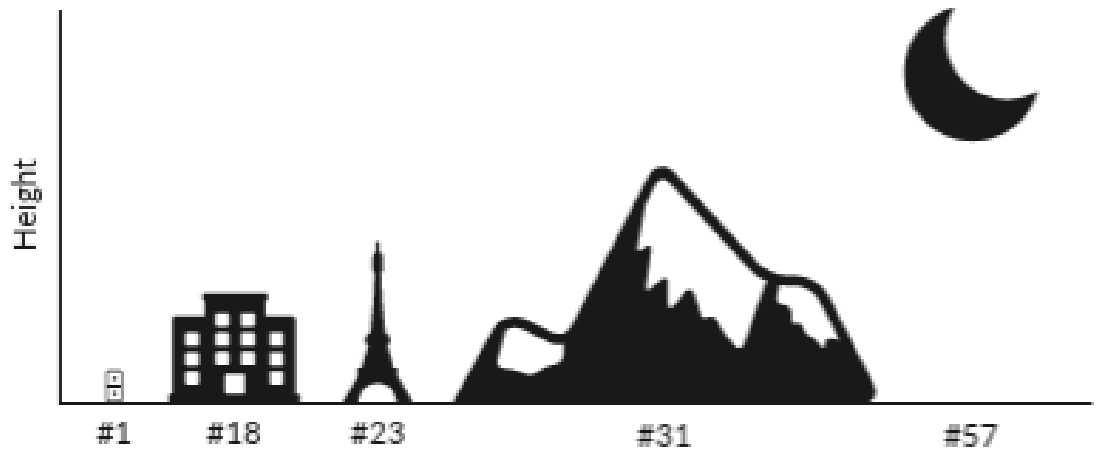
KEY QUOTES

"If you try to do just ONE Thing, the right ONE Thing, you could wind up with everything you ever wanted."

"Be like a postage stamp – stick to one thing until you get there."
- Josh Billings -

"When you go as small as possible, you'll be staring at one thing. And that's the point."

"You need to be doing fewer things for more effect instead of doing more things with side effects."



To create the same geometric effect in your life, you need to find the lead domino. Keep working at it. When you finally knock it over, the dominoes behind it would be ready to fall or have already fallen down.

Success Leaves Clues

The One Thing applies to success in all aspects of business and life:

One Product/ Service: Companies that are extraordinarily successful always have 1 signature product or service e.g. KFC's secret chicken recipe, Google's search.

One Person: No one is self-made. Every successful person (e.g. Walt Disney, Albert Einstein, Oprah Winfrey) has that 1 person who made all the difference, be it guiding him/her in the right direction or lending a helping hand at a pivotal point.

One Passion/ Skill: Extraordinarily successful people have one intense passion or ability that stands out, defines and drives them.

Banishing the 6 Lies of Success

Today, we have access to more information than ever before, but much of these information are not necessarily true or accurate. However, when myths and mistruths are repeated often enough, they start to feel familiar, we start to believe them and base important decisions on them. According to Keller, there are **6 lies of success that need to be banished** before we can embrace success.

KEY QUOTES

"Getting extraordinary results is all about creating a domino effect in your life."

"The key is over time. Success is built sequentially. It's one thing at a time."

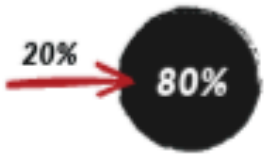
"If today your company doesn't know what its ONE Thing is, then the company's ONE Thing is to find out."

"Applying the ONE Thing to your work – and in your life – is the simplest and smartest thing you can do to propel yourself toward the success you want."

"It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so."
- Mark Twain -

"Buying into the ONE Thing becomes difficult because we've unfortunately bought into too many others – and more often than not those "other things" muddle our thinking, misguide our actions, and sidetrack our success.

1. Everything Matters Equally



Most of us face complex problems without a clear formula for good decision-making. When we feel overwhelmed, we tend to fall back on familiar and comfortable (but ineffective) ways of making decisions. The Pareto Principle (or 80/20 rule) says that the minority of your efforts generates the majority of your results. Keller recommends applying the Extreme Pareto principle:

Go small. Don't get trapped trying to finish everything on your to-do list. Take time out to prioritize and do what really matters - convert your to-do-list to a success list, by prioritizing the "should do" over "could do" items.

Go extreme. Take the Pareto Principle to the extreme. Keep zooming in on the top 20% until you end up with the essential ONE thing.

Say no to everything else until your most important work is done.

2. Multitasking Gets More Done

Many people have the false impression that multi-tasking helps them to accomplish more in less time. The opposite is true. Research shows that multitasking leads to more mistakes, poorer choices, and greater stress:

Task-switching costs you. A juggler doesn't really multi-task – he catches and throws the balls individually in rapid succession, i.e. he is task-switching. Likewise, when we are "multitasking", we are usually only task-switching. Our brain can only focus on one thing at a time. Each time we switch tasks, we need to re-orientate to the "rules" for the new task, losing time and energy in the process.

Multi-tasking divides our attention over the various tasks. It reduces our effectiveness for each task.

We expect professionals like pilots and surgeons to focus fully on their tasks. We should likewise **give our most important work our undivided attention.**

KEY QUOTES

"Activity is often unrelated to productivity, and busyness rarely takes care of business."

"To-do lists tend to be long; success lists are short. One pulls you in all directions; the other aims you in a specific direction."

"Many things may be important, but only one can be the most important."
- Ross Garber -

"The truth is multitasking is neither efficient nor effective... When you try to do two things at once, you either can't or won't do either well."

"It's not that we have too little time to do all the things we need to do, it's that we feel the need to do too many things in the time we have."

3. We Need To Live A Disciplined Life

Disciplining yourself means training yourself to act in a specific way, or to form a habit. Hence, **we don't need to be disciplined all the time. We just need selected discipline to form the right habits:**

Don't be a disciplined person. Be a person of powerful habits. You just need to identify the right habit to cultivate, and have enough discipline to do it long enough to build that desired habit. Michael Phelps, for example, developed the winning habit of spending at least 6 hours a day in water, swimming 365 days a year.

Build 1 habit at a time. Over time, you can acquire more habits.

Give the habit enough time to form. On average, it takes 66 days to acquire a new habit (many self-help sources recommend 21 days, but modern science suggests it takes longer). The good news is, once a new behaviour becomes a habit, it takes less discipline to maintain.

4. Willpower Can Be Summoned Whenever Needed

Most of us have heard of the proverb "where there's a will, there's a way." While willpower is an important ingredient for success, it isn't something we can summon as and when we want.

Don't spread your willpower too thin. Willpower is like a battery – it has limited life and gets depleted with use. However, it can be recharged, when given downtime to recover. Use of willpower also consumes actual calories - Foods like complex carbohydrates and proteins that elevate blood sugar levels evenly are hence ideal for high-achievers.

Monitor your fuel gauge: When our willpower runs out, we will revert to our default settings, which typically means average results.

Hence, recognize that willpower is a resource that gets used up, reserve it for what's most important, and replenish it when it's low.

KEY QUOTES

"Success is about doing the right thing, not about doing everything right...The trick to success is to choose the right habit and bring just enough discipline to establish it."

"Success is actually a short race – a sprint fueled by discipline just long enough for habit to kick in and take over."

"Those with the right habits seem to do better than others. They're doing the most important thing regularly and, as a result, everything else is easier."

"Willpower is like a fast-twitch muscle that gets tired and needs rest. It's incredibly powerful, but it has no endurance."

"When you use (your willpower) first on what matters most, you can always count on it."

Time your task: Willpower gets sapped throughout the day when we focus our attention, suppress our feelings and impulses, or modify our behaviours to achieve goals. To get the most out of your day, do your most important work early.

5. We should live a Balanced Life

The idea of having enough time for everything sounds appealing. However, **when we give time and focus to what matters, it takes time away from lesser priorities, and we automatically go out of balance.** Trying to take a middle position means we make extraordinary commitments to nothing, hence achieve mediocre results on all fronts.

The solution is hence not to live a balanced life, but to apply counterbalance, i.e. never go so far that you cannot find your way back.

Identify the extraordinary result that matters most to you, and give it all the time it requires. Allow yourself to get out of balance, and use infrequent counterbalancing to address other priorities. Different goals and approaches are required to counter-balance work vs. your personal life:

For work, identify the ONE Thing that must be mastered. Make it ok to prioritize that one thing above other work priorities (i.e. be out of balance) for long periods of time.

For personal life, there are multiple areas that require a minimum level of attention for you to feel that you "have a life". Develop self-awareness and don't allow yourself to go out of balance for too long in any area without counterbalancing.

6. Big is bad

People tend to associate big results with complicated, difficult, complex processes, and feel overwhelmed and intimidated before they even embark on the journey. To avoid failure, they settle on what is comfortable and within reach.

KEY QUOTES

"Purpose, meaning, significance – these are what make a successful life. Seek them out and you will most certainly live your life out of balance."

"In your effort to attend to all things, everything gets short-changed and nothing gets its due."

"The reason we shouldn't pursue balance is that the magic never happens in the middle; magic happens at the extremes."

"Whether or not to go out of balance isn't really the question. The question is: 'Do you go short or long?'"

"When you're supposed to be working, work, and when you're supposed to be playing, play. It's a weird tightrope you're walking, but it's only when you get your priorities mixed up that things fall apart."

"No one knows their ultimate ceiling for achievement, so worrying about it is a waste of time."

Think Big. Our thinking drives our actions. When we build our lives based on small thinking, we can actually create an artificial ceiling which is hard to break through. Think big, so that your actions will add up to empower rather than restrict you in the future.

Don't order from the menu. Since none of us know our true limits, we don't know what is really impossible or unrealistic. Dare to imagine outcomes that others don't see, so you can make your own creations. To trigger your imagination, try studying people who have achieved what you want, and start from there.

Act bold. Don't just think big. Take bold actions to bring the thoughts to life.

Don't fear failure. Adopt a growth mindset to make failure a part of your learning process, helping to take you to your true potential.

The Truth: The Simple Path to Productivity

1. The Focusing Question

The quality of our questions determine the quality of our answers. By asking the Focusing Question, you drive yourself to make the best possible decisions. You'll need to ask this question over and over again - it will lead to your first domino, then the next, and the next.

- **Ask the Focusing Question: "What's the ONE Thing I can do such that by doing it, everything else will be easier or unnecessary?"**
  - *ONE Thing:* Pick only 1 (not 2 or 3) most important thing.
  - *Can do:* take that possible action. It's not "should do", "could do ", or "would do".
  - *By doing it, everything else is easier or unnecessary:* Focus on leveraged action (the first domino) and avoid distractions.
- **Ask this question to define both:**
  - *The big picture:* Define the direction for your life and what the basket of your life should look like.

KEY QUOTES

"Success requires action, and action requires thought... the only actions that become springboards to succeeding are those informed by big thinking to begin with."

"On the journey to achieving big, you get bigger... What seemed an insurmountable mountain from a distance is just a small hill when you arrive – at least in proportion to the person you've become."

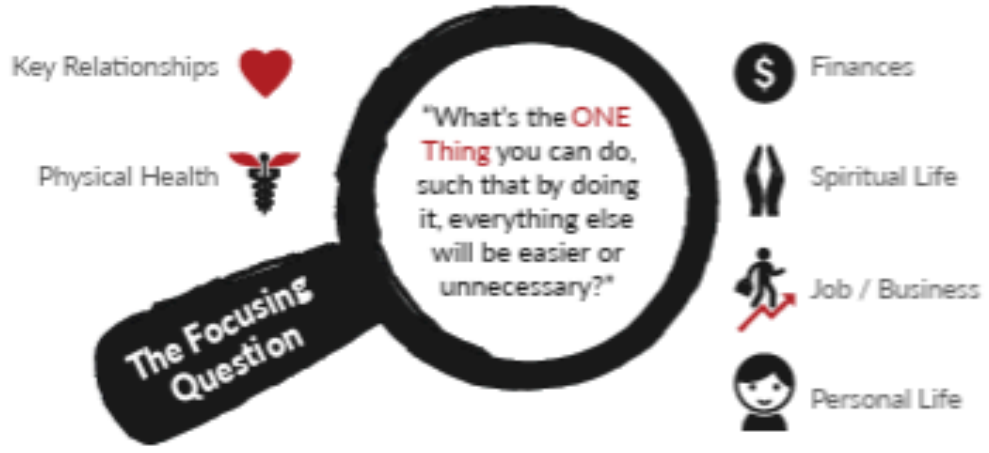
"The Focusing Question is a big-picture map and small-focus compass."

"The Focusing Question asks you to find the first domino and focus on it exclusively until you knock it over. Once you've done that, you'll discover a line of dominoes behind it either ready to fall or already down."

The small focus: Identify the smallest next move you should take immediately.

2. The Success Habit

Asking the Focusing Question is the most powerful foundational habit that you can use to lead an extraordinary life. Apply it only to important areas of your life, and use it to create the greatest impact in each of those areas.



To make it a part of your daily routine:

- Understand and believe it: You must buy into the concept to use it.
- Use it: Start each day with the Focusing Question.
- Make it a habit: Keep doing it until it becomes a part of your routine.
- Leverage reminders: Set up ways to remind yourself that until your ONE Thing is one, everything else is a distraction.
- Use it: Get others around you to practice the Success Habit daily with you.

3. The Path to Great Answers

Think Big & Specific: When asking the Focusing Question, use a Big and Specific placeholder (e.g. big goal with concrete numbers and timeframe) of where you want to be.

Think Possibilities: The answers to your questions come in 3 categories:

- Doable: What you know and can achieve.
- Stretch: At the limits of your current ability.
- Possibility: Beyond what is already known & being done.

A Great Answer explores the 3rd category - what is possible.

KEY QUOTES

"Whether you seek answers big or small, asking the Focusing Question is the ultimate success habit for your life."

"If you're not serious about learning the Success Habit, you're not serious about getting extraordinary results."

"A Great Answer is essentially a new answer. It is a leap across all current answers in search of the next one."

Benchmark and trend for the best answer: To find a Great Answer, your ONE Thing is to search for clues and role models by researching and studying high achievers. You need to do both benchmarking (for today's successes) and trending (for tomorrow's successes). Be prepared to reinvent yourself to create the new possibilities you envisage.

Achieving Extraordinary Results

Live with Purpose, to get Extraordinary Results

Productivity (and profits in business) are driven by 2 areas:

- Your Big ONE Thing = your purpose.
- Your Small ONE Thing = your priority (that you take action on).

Tap into your purpose and allow it to direct your priorities. With clear priorities, you can get to work on what matters. **When where you want to go is aligned with what you do today, extraordinary results will happen.** When you have a bigger purpose and you are fulfilling it through what you do daily, you will also achieve lasting happiness. **Use the ONE Thing to identify your Big Why, and what you can do now to start fulfilling it.** If you don't have an answer yet, simply pick a direction, start on the path, and refine it over time as you get more clarity.

Live by Priority

- **Have only ONE priority now.**
- **Goal-set to the Now,** by connecting your goal and priority today to your weekly, monthly, one-year, five-year and someday goals. Research shows that the farther away a reward is in the future, the smaller the immediate motivation to achieve it. To improve your motivation, start by defining your "Someday Goal", then apply the Focusing Question

KEY QUOTES

"Connecting purpose, priority and productivity determines how high above the rest successful individuals and profitable businesses rise."

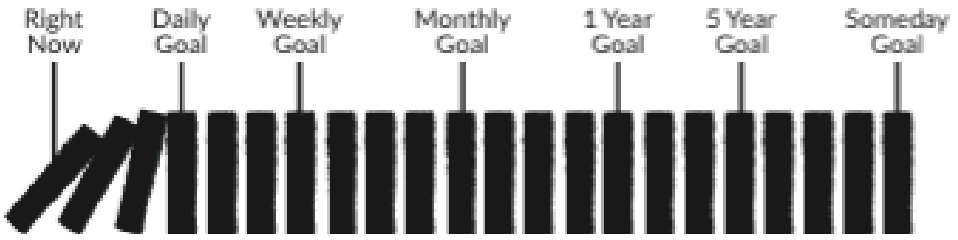
"Who we are and where we want to go determine what we do and what we accomplish."

"Happiness happens on the way to fulfillment...When our daily actions fulfill a bigger purpose, the most powerful and enduring happiness can happen"

"At any moment in time there can only be ONE Thing, and when that ONE Thing is in line with your purpose and sits atop your priorities, it will be the most productive thing you can do to launch you towards the best you can be."

"Connect today to all your tomorrows. It matters."

backward progressively to the ONE Thing you need to do, right now.



- **Put these goals down on paper,** and keep them close.

Live for Productivity

Time Blocking

Time blocking helps us to ensure what has to get done actually gets done. There are 3 things to Time-Block for (in this order):

Time off. Resting is as important as working. Block out time for vacations and rest, because you know you need and can afford it.

1 **Your ONE Thing.** Set aside regular time as early in the day as possible to get your ONE Thing done. Keller recommends that you:

- Set aside 30min-1 hour to take care of your morning priorities, then block *4 hours a day* for your ONE Thing.
- Separate "maker time" (chunks of time to develop ideas, write, recruit people etc.) from "manager time" (e.g. cluster meetings together to avoid fragmented activities).

Once you have finished your ONE Thing for the day, you can devote the rest of your time to everything else.

Planning Time. Block *an hour each week* to review your annual and monthly goals (using the Focusing Question to identify what matters most).

The key is to get an unbroken chain of productivity going (by *acting on your ONE Thing daily)* and allow momentum and motivation to take over from there.

Once you have blocked your time, protect it at all costs. Don't allow anything/ anyone to move them. To protect your time blocks:

KEY QUOTES

"Even if you're on the right track, you'll get run over if you just sit there."
- Will Rogers -

"Great success shows up when time is devoted every day to becoming great."

"If you don't time block each day to do your ONE Thing, your ONE Thing won't become a done thing."

- *Build a bunker:* Have a physical place where you can work with a "Do Not Disturb" sign.
- *Store provisions:* Have all necessary supplies and materials handy so you don't need to leave your bunker .
- *Give 100% attention:* Switch off your phone, shut down your emails and internet browser etc. so you can focus fully on your ONE Thing.
- *Enlist support:* Inform those who may seek you out during the time block, so they know when they can access you.

The Three Commitments

Time-blocking alone is not enough. You need 3 key commitments:

Follow the Path of Mastery. Mastery is a commitment to becoming your best. It is a never-ending journey - see it as a path to embark on, rather than a destination to arrive at. As you gain mastery, your self-confidence and success competence will grow, and you find each successive domino easier to conquer.

Move from "E" to "P". Don't just do the best you can (the "Entrepreneurial approach"). Do the best way it can be done (the "Productive approach"). Using the "P" approach means constantly narrowing down your choices to what you should do, and focusing on those choices, even if feels unnatural. That way, you get the most results out of your effort.

Hold yourself accountable for achieving your ONE Thing. Take complete ownership for your outcomes. This involves seeking and acknowledging reality, then taking ownership to find and execute the best solution. Don't fight reality nor be a victim of circumstances. To accelerate the process, find an "accountability partner" e.g. a mentor or coach.

Manage the 4 Thieves of Productivity

Start saying "no": It's not possible to please everyone. Say "yes" to your ONE Thing (and consider requests related to that priority). Say "no" to everything else.

KEY QUOTES

"Mastery actually means you're a master of what you know and an apprentice of what you don't."

"Focus is a matter of deciding what things you're not going to do."
- John Carmack -

"If you can't say no a lot, you'll never truly be able to say yes to achieving your ONE Thing."

"When you strive for greatness, chaos is guaranteed to show up."

Accept chaos: When you focus on your ONE Thing, other stuff will inevitably pile up. Don't fight the mess or chaos. Trust that commitment to your main priority will, over time, yield the results that will prove you made the right decisions.

Manage your energy: Good personal energy management is foundational to productivity. This includes spiritual, physical, emotional, mental and business energies. The secret is to spend the early hours of your day energizing yourself, so you have what you need for the day.

Take ownership of your environment. Your environment includes who you see (people) and what you experience (place). Make sure these are aligned with and support your ONE Thing.

Conclusion

Extraordinary results don't happen overnight. They are built sequentially, one step at a time. By using the Focusing Question to survey and narrow down your options, line up your priorities and do what matters most, you are setting yourself up for success and a life with no regrets. Your ONE Thing now is to identify the ONE Thing you can do to get started on this journey – and do it.

Other details to look out for in the book

The book comes with several practical examples and illustrations to help readers understand the concept of the ONE Thing and how to apply it. You can visit *www.the1thing.com* for additional resources.

About the Author & Co-Author of The One Thing

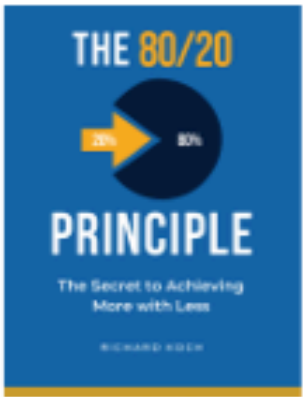
Gary Keller is an American author and a real estate entrepreneur. He has been working in real estate for over 30 years, and is the founder and chairman of the board for Keller Williams Realty, the largest real estate franchise in

KEY QUOTES

"When you clear the path to success – that's when you consistently get there."

"Your journey toward extraordinary results will be built above all else on faith... Faith ultimately leads to action."

"Actions build on action. Habits build on habit. Success builds on success. The right domino knocks down another and another and another. So whenever you want extraordinary results, look for the levered action that will start a domino run for you."



THE 80/20 PRINCIPLE

The Secret to Achieving More with Less

RICHARD KOCH

The Big "So What"

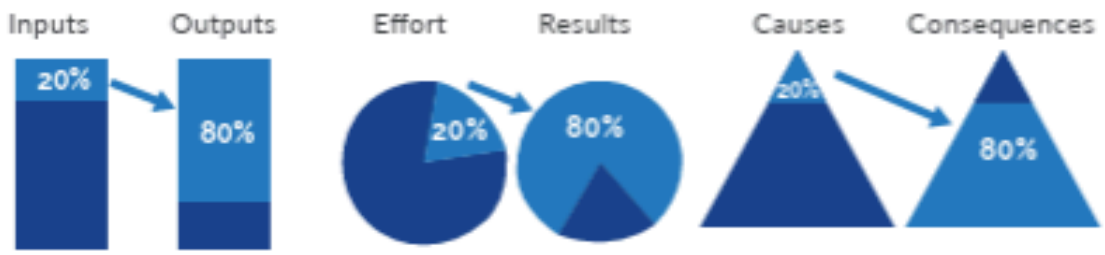
In all aspects of life, 80% of outputs, results and consequences come from 20% of inputs, efforts and causes. Koch was the first to write a book to present how individuals and groups can apply the 80/20 Principle to achieve much more results with much less effort.

What's the 80/20 Principle?

The 80/20 Principle says that the majority of your results or outputs will come from a minority of causes or inputs.

- The principle was discovered in 1897 by economist *Vilfredo Pareto* and became popular after WWII. Today, it's also known as the Pareto Principle, the 80/20 Rule, the Principle of Least Effort, the Principle of Imbalance, the Pareto Law, the Law of the Vital Few, and the Principle of Factor Sparsity.

- The ratio may not always be exactly 80/20, i.e. it could be more imbalanced at 99.9/0.01 or less imbalanced at 60/40. The key idea is this: there's typically a *non-linear relationship* between input and output, between effort and results, and between causes and consequences.



The 80/20 Principle is always at work whether you realize it or not.

- In business, 20% of our products/customers tend to contribute to 80% of our revenues/profits. In society, 20%

KEY QUOTES

"The 80/20 Principle can and should be used by every intelligent person in their daily life, by every organization, and by every social grouping and form of society."

"The 80/20 Principle states that there is an inbuilt imbalance between causes and results, inputs and outputs, and effort and reward."

of people own 80% of the wealth. At home, we'll wear 20% of our clothes 80% of the time.

- The principle means that (i) 4/5th of what you do is wasted or has minimal impact and (ii) you can multiply your output by focusing on the 1/5th that truly matters. By understanding and applying the principle, you can become a lot happier and more effective.

Fundamentally, the universe doesn't move in a straight line. Small inputs can create **disproportionate results**.

- *Feedback loops* can amplify the impact of positive vs negative relations. If you start with 2 populations of goldfish—with 1 group being only slightly bigger—the larger group will grow significantly bigger over time. Each generation of fish eats more, grows bigger and the impact is multiplied with each cycle. Likewise, the rich get richer because they can re-invest and multiply their ever-increasing assets.

- Initially, any change will face resistance. However, once it reaches a *tipping point*, it takes on a life of its own. That's why a flu bug can create a health crisis once a critical number of people have been infected and can now infect many others.

- Something small can also have a disproportionate *rippling effect* on future events. Many norms/standards were set by a small group of people adopting a specific practice, e.g. all clock-hands move in the clockwise direction due a convention set by early clock-makers.

Applying the 80/20 Principle

The 80/20 Principle means that there's great inefficiency all around us, but it also means there's a huge potential to improve our current results. In this section, we explain how to apply the principle in general, in business and in life.

General Approach and Tips

Identify your top 20% vs bottom 80% using 2 possible approaches:

KEY QUOTES

"Most of the time, we do not realize the extent to which some resources, but only a small minority, are superproductive."

"The world is full of small causes that, when combined, can have momentous consequences."

"Waste can be wonderful news...there is enormous scope for improvement."

- *80/20 Analysis*: Develop a hypothesis about an 80/20 relationship and test it by collecting and comparing 2 sets of data. For example, ask 100 friends how much beer they drank the previous week, then rank the data in decreasing order to find out what percentage of your friends consumed the majority of the beer. You may find that 15% of your friends drank 90% of the beer.

- *80/20 Thinking*: Think deeply about an important question, form your 80/20 hypothesis intuitively, then take action to apply it.

Then, allocate your time/resources using these 2 approaches:

- *Allocate more resources to the top 20%* by moving time/resources away from the unproductive 80%. Do more of what's working well.

- *Address the underperforming 80%*: Find ways to make the unproductive activities more productive or effective.

Remember these vital points when applying the 80/20 Principle:

- *Be selective*. Working harder in every area won't bring results. Seek to excel in the few things that matter the most. Remove or outsource the rest.

- Keep moving your resources from low-value to *high-value uses*.

- Don't make simple/linear conclusions or jump into action. *Think deeply* to look for non-linear relationships that can bring you exponential results. Dig deep to understand why you're getting surprisingly good or bad results in certain areas.

- There's no such thing as luck in success. When things go unexpectedly well or badly, look for the *hidden causes* at work. Most people notice something only after it has become big and has slowed down in growth. Watch for small things that are growing rapidly—these are where the biggest opportunities lie.

KEY QUOTES

"The implication of the 80/20 Principle is that output can be... multiplied, if we can make the low-productivity inputs nearly as productive as the high-productivity inputs."

"80/20 Thinking requires, and with practice enables, us to spot the few really important things that are happening and ignore the mass of unimportant things. It teaches us to see the wood for the trees."

- Your 80/20 analysis gives a *snapshot* of the input-output relationship at a point in time—this will change with time.

The 80/20 Principle in Business

In any market, 20% of the players will make 80% of the surpluses or profits. 80% of these surpluses will be generated by 20% of market segments, 20% of customers, 20% of products and 20% of employees. 80% of the value from the employees will also come from 20% of their activities. On the other hand, 80% of problems and costs will come from 20% of causes or issues. By using this principle, businesses can generate the most money with the least effort and resources.

Strategy. A successful firm is one that generates more surpluses than its competitors with less cost. Identify and optimize the top 20% of every business area—from products to employees and offices—that generate 80% of your surpluses.

- *Analyze your business areas*. Do an 80/20 analysis by (i) product type/group, (ii) customer type/group, and (iii) other splits (e.g. geographical area or distribution channels). Calculate the amount of sales, profits and return on sales. Identify the few places where you're making unusually high surpluses or losses, then dig deep to find out why.

- Combine ≥1 of the analyses above (e.g. product and customer analyses) and list down every *competitive segment* where you face a different competitor or have a different competitive position. Then, do an 80/20 analysis for each competitive segment.

- From the analysis, *classify your businesses into 3 groups*: Priority A (the most profitable), Priority B (average or below-average performers) and Priority X (loss-makers). Focus on growing Priority A businesses most aggressively. Decide what to do with Priority B and Priority X businesses based on (a) how attractive the market segment is and (b) how well positioned your firm is in that segment.

- Use the 80/20 Principle to *brainstorm ideas* for the top 20% vs bottom 80% of your business. Use questions like: "What 20% of our offerings deliver 80% of customers' perceived value and how can we increase it to >20%?" or "Which 80%

KEY QUOTES

"The principles of unequal effort and return...operate at all levels of business: markets, market segments, products, customers, departments, and employees."

"Unless you have used the 80/20 Principle to redirect your strategy, you can be pretty sure that the strategy is badly flawed."

"The best way to examine the profitability of your business is to break it down into competitive segments."

"The best way to start making money is to stop losing money."

of our features deliver only 20% of benefits and how can we remove, replace or simplify them?". Carpet supplier Interface realized that 20% of clients' carpets were getting 80% of the wear and tear; so they came up with a leasing scheme where clients could replace worn/damaged carpet tiles rather than change the whole carpet.

Reduce costs. As a rule of thumb, keep your business simple even as you grow bigger. Examine every aspect of your business, from your marketing messages to your delivery channels, product design and customer service. Focus on the most essential 20% and simplify it as far as possible. Seek to sell a narrower range of products to fewer customers, have fewer suppliers or outsource non-core activities.

- *Simplify* or remove unprofitable activities.
- *Focus on a few key drivers* for improvement. Zoom in on the 20% of your business with the greatest potential for cost-reduction and invest 80% of your efforts there.
- *Continuously improve* the performance of the top 20% of your business and simplify/improve the bottom 80%.

Marketing. 20% of your products/customers will bring 80% of your profits. Don't try to cater to *all* customers and products; be marketing-led and customer-centric *only* for your core products and customers.

- Know which 20% of your *product line* brings 80% of your profits—focus on outstanding delivery in those areas.
- Know which 20% of *customers* bring 80% of your profits—focus on delighting, retaining and increasing sales from them.
- Ensure that the entire company (not just the marketing team) is obsessed with your top 20% customers. *Retain and increase your market share of core customers* by (i) knowing who they are, (ii) delivering unbelievable service to them, (iii) tailoring new products/services specifically for them, and (iv) retaining them.

KEY QUOTES

"The problem is not extra scale, but extra complexity…Big is only ugly and expensive because it is complex."

"Whenever something has become complex, simplify it; if you cannot, eliminate it."

"Identify, treasure, and multiply the few productive costs, and get rid of the rest."

"Successful marketing is all about a focus on the relatively small number of customers who are the most active in consuming your product or service."

"Your core customers are money in the bank. If any of them drops out, your profitability will suffer."

Sales. To improve your company's sales, focus on 2 key areas:

- *Improve salespeople's performance*. 20% of your salespeople will bring in 80% of your sales.

  (i) Seek to retain the high performers;

  (ii) Figure out what makes them tick (e.g. skills, attitude) and hire more of such people;

  (iii) Identify what top performers do differently and teach those methods to others; and

  (iv) Use the 80/20 rule for training: (a) train people who're likely to stay, (b) get the top salespeople to train others and incentivise them for their trainees' performance, and (c) invest more to train those who show the most improvements.

- Set up your *structure* to help people to focus on the right areas.

  (i) Insist that your salespeople focus on the top 20% of customers and products even if it means neglecting others.

  (ii) Consolidate accounts with the highest sales/profits under 1 salesperson or team. Don't split them by geographical offices.

  (iii) Instead of dropping less profitable accounts; consider centralizing them or using lower-cost options (e.g. telephone ordering and self-servicing).

  (iv) Revisit great customers who're no longer with you.

Decision-making. Use these tips to make better decisions:

- Most decisions aren't truly important. *Focus on the few truly vital decisions* and delegate the rest if possible.

- Something important is always happening under the radar and many key decisions are being made without your realization. If you're losing your top staff or customers, it means that bad decisions have already been made. Step back and *look for things that you may be missing*, e.g. what's working surprisingly well.

KEY QUOTES

"If it ain't broke, make damn sure it doesn't break."

"Making use of these 80/20 structural influences can turn mediocre salespeople into good ones and good ones into superstars."

"Business requires decisions: frequent, fast, and often without much idea whether they are right or wrong."

"Don't be afraid to experiment and don't persevere with losing solutions. Do not fight the market."

- For vital decisions, *use the first 20% of available time* to do 80% of the data gathering and analysis, then make your decision.

- The best way to validate a market decision is to *test it out in the market*. If a decision is obviously not working, change it early. If it's working well, double your investments.

Inventory management. 20% of your stocks will account for 80% of your revenues.

- Drastically *cut stocks* for your unprofitable products.

- Have *fewer variants* for each product.

- Where possible, *hold minimal inventory*—pass them on to other parts of the supply chain (e.g. suppliers or customers), use technology or virtual inventory.

- For your *remaining inventory*, use the 80/20 Principle to reduce costs and increase the speed of movement.

Project management. To be effective, a project manager must:

- *Simplify the objective/task*. Get clear on 1 key goal and focus on 20% of activities that will deliver 80% of the project value.

- *Set stretch targets and timelines* to force the team to work on the truly critical items.

- *Plan/design first*. Identify no more than 7 top issues to be resolved, allocate the work and review/adjust your plan regularly. For design projects, get the design right before implementing it.

Negotiations are important in any business.

Know the few points that truly matter but play up the trivialities.

- Build up a list of requests and concerns that seem important to you, so you can concede on the unimportant points to *get concessions on the important points*.

- 80% of the concessions will happen in the last 20% of the time. *Pace yourself* and negotiate hard closer to the deadline.

KEY QUOTES

"Focus on the most important customers, focus on a simple product line, simply tracked and simply delivered."

"Impatient people don't make good negotiators."

The 80/20 Principle In Life

80% of your achievement comes from 20% of your efforts, 80% of your happiness comes from 20% of your life experiences, and so on. To use the 80/20 Principle, you must transform the way you think and act, so you become extremely selective and focus only on what matters.

Get clear on what you want. Most people spend the bulk of their time with people they don't like, doing things they don't enjoy, and waste energy pursuing things that don't matter. To have everything you want—including your ideal job, relationships and lifestyle—you must first *know* what you want. For example:

- *Lifestyle*: What lifestyle would you genuinely want and thrive in? Consider where/with whom you'd want to live, what you desire for your work, family or social life, how you'd fulfill your potential and make your desired contributions.

- *Career*: It's possible to align your work with other things you enjoy outside of work. Consider your ideal career options against 2 key dimensions: (i) ambition i.e. how driven you are by achievement and career success and (ii) autonomy i.e. how far you'd like to work for/with others.

Time Revolution. It's a myth that you're short of time and must squeeze more into every available minute. You're likely to achieve much more when you're calm and collected than when you're acting in a mad rush.

KEY QUOTES

"The key is not effort, but finding the right thing to achieve."

"Be clear about the optimum point you are trying to reach and view it within your life's total context."

"We don't need time management—we need a time revolution."

- Resist the urge to rush into action. Set aside time for deep *thinking and reflection*, so you gain deep insights into the actions that will bring massive results with minimal inputs.

- Stop feeling guilty about working less or doing things you enjoy. If you double the time spent on your top 20%, you could work for 2 days in a week and still achieve 60% more than your current results. Systematically identify the 20% that will give you 80% in every area of your life, and keep doubling the time/effort for the top 20%. That way, you can *multiply your wealth, happiness and knowledge*.

- Don't feel bad about reducing or removing the 80% *low-value activities*—these activities produce so little results that no one may even notice if you drop them.

- *Dare to be different*. To get breakthrough results with 20% of your time, be prepared to do things that seem weird or unusual.

Achievement and career. To succeed, choose the right goals and playing fields. Direct your efforts toward areas where you have a comparative advantage, i.e. you do exceptionally well and deliver high value with minimal effort.

- *Specialize in a niche*. It's much better to know 1 thing really well than to know many things superficially. Pick a niche that you enjoy, excel in and can become an undisputed leader. Develop a core skill until you're the best (or one of the best), such that you do things better, faster and can command a premium. Focus on the market/customer segments that'll value your services and whom you can serve especially well.

- *Multiply your achievements* by repeating, upgrading or expanding on what you excel in. Identify what you do exceptionally well and find unusually easy. Ask questions like: When did I get the most positive feedback? What approaches have worked best for me? What do I enjoy more and do better than 95% of my peers?

- *Learn from the best* people/firms who're already using the 80/20 Principle in your niche. Find ways to work with and learn from them, to learn what they're doing differently.

KEY QUOTES

"Achievement is driven by insight and selective action."

"Be unconventional and eccentric in how you use your time. Do not follow the herd."

"You are more likely to win when you are selective about the races you enter."

"You will not create anything of enduring value unless you love creating it."

"The 80/20 Principle is clear. Pursue those few things where you are amazingly better than others and that you enjoy most."

- *Leverage time/resources*. In the early stages of your career, focus on applying the 80/20 rule to create as much value as possible. Then, seek to capture most/all the value for yourself by becoming self-employed as early as possible. Finally, leverage others time/talent by (i) hiring value creators who add much more value than they cost, (ii) outsourcing non-core areas and (iii) using money to gain surplus value e.g. by buying cost-effective tools/machines.

Money. It's easier to make money than what most people think.

- You have the best chance of *earning lots of money* if (i) it's an area you enjoy and (ii) there's a large job market. Explore related vocations until you find one that you like and pays well, e.g. there are many similarities between an actor and a politician.

- 80% of the wealth are made by *self-employed professionals and business owners*. Once you're in the right profession, get really good at it, then aim to become self-employed and eventually employ others if you're comfortable with it.

- *Multiply your money* by saving, investing and practicing sound money management. The earlier you start investing, the faster you can enjoy the effects of compounding. Here are a few of Koch's investment tips:

  (i) Choose an investment strategy that reflects your personality, e.g. aggressive vs conservative.

  (ii) Put 80% of your capital in 20% of the investments that give you the best returns. Focus on and become really good at your core areas of investments, e.g. the industry you're working in, your hobby or geographical area.

  (iii) Invest for the long term. Avoid switching portfolios or moving in and out of the market regularly.

Relationships. All of us need personal and professional relationships. Yet, we tend to neglect our most important relationships. Choose your allies carefully (including your life partner) and nurture these key relationships with care. Be selective with the people you spend time with and the obligations you agree to.

KEY QUOTES

"The key to earning more and working less is to pick the right thing to do and to do only those things that add the highest value."

"Conventional wisdom is not to put all your eggs in one basket. 80/20 wisdom is to choose a basket carefully, load all your eggs into it, and then watch it like a hawk."

"There is a trade-off between quality and quantity and we consistently undercultivate what is most important."

- *Make 2 lists of* (i) your top 20 friends and loved ones and (ii) your top 20 business relationships or allies.

- *Rank* the people on each list and *allocate 100 points* between them. For your personal relationships, assign the 100 points based on how deep/close you are and the extent to which the relationship enhances your life. For your business relationships, rank them in terms of how far they've helped you and allocate the 100 points amongst the top 10 allies based on their future ability to help you.

  (i) Identify the personal relationships that are disproportionately important to you, and devote quality time and energy to strengthen and deepen them.

  (ii) Aim to cultivate 6-7 top business allies including 1-2 mentors, 2-3 peer relationships and 1-2 mentees.

  (iii) Ensure that your core relationships satisfy these 5 key attributes: mutual enjoyment of each other's company, respect, shared experience, reciprocity and trust.

Happiness. Generally, 20% of our life experiences give us 80% of our happiness. Expand the 20% as much as possible, minimise the times/experiences when you're least happy or find ways to enjoy them more.

- Develop *emotional intelligence* to become more aware of your feelings and how to manage them. When something unpleasant happens, catch your negative thoughts and find new ways to interpret events. Learn to think of yourself in more positive ways.

- *Take control of your life* by taking steps to prevent the same mistakes from occurring, avoiding people/events that make you unhappy, and spending more time around people who make you happier.

- Maximize your satisfaction and happiness in the moment. *Build happiness habits*, e.g. exercising, helping others, enjoying a break with a friend, giving yourself a pat on the back, meditating or stimulating yourself mentally.

KEY QUOTES

"For both personal and professional relationships, fewer and deeper is better than more and less deep... Choose with care. Then build with commitment."

"None of us can ever have complete control over events but we can have much more control than we think."

"Money not spent can be saved and invested and...multiplied. But happiness not spent today does not lead to happiness tomorrow."

Conclusion and Other Details in the Book

In a nutshell, keep applying 80/20 thinking until it becomes an integral part of how you think and act. Always remind yourself to focus on the vital few and step back regularly to avoid becoming lost in trivialities.

Besides the key ideas outlined in this summary, the book also includes details of how the 80/20 Principle has been conceptualized and applied over the decades. Koch provides examples of how various companies have used the principle, with additional insights and contributions from readers who have applied the principle. For more details, please visit www.the8020principle.com.

About the Author

Richard Koch (born 1950) is an entrepreneur, investor, author and speaker best known for his books on how to apply the Pareto Principle. Using these concepts, he has made a fortune from several private equity investments. Koch was formerly a consultant at the Boston Consulting Group and a partner at Bain and Company, before co-founding L.E.K. Consulting. For more details, please visit www.richardkoch.net.

KEY QUOTES

"By using little bets and the law of remarkability, you greatly increase your chances of finding ways to transform your mission from a compelling idea into a compelling career."

Constraints can be blessings in disguise as they push us to explore new skills and solutions. Accept your weaknesses so you can address them and forge new paths which you may not otherwise have considered.

Love Everything, including your Obstacles

Be grateful for your problems and the opportunities they bring. The Romans dubbed this *amor fati*, a "love of fate". When Thomas Edison was told that his house and labs (along with his years of research and prototypes) were on fire, he didn't despair. Knowing he couldn't reverse the event, he called his family to enjoy the beautiful, colourful fire being produced from the lab chemicals. Then, he rebuilt everything with vigor. Within 1 year, he made back 10x of what was lost.

Accepting something is better than feeling bitter and frustrated. But, the *best* response is to embrace the situation and take action cheerfully to create the biggest possible impact.

Persevere Till the End

Persistence is about sticking it out till you overcome an obstacle. Perseverance is about confronting obstacle after obstacle, never giving up no matter how many rounds of problems you face. After 10 years at war, legendary Greek hero Odysseus was blown away from his homeland just before reaching its shores. He persevered through another 10 years of life-threatening trials before he eventually made it home.

Know that you are capable of overcoming anything with unassailable will and purpose. Be prepared to play the long game.

KEY QUOTES

"We don't get to choose what happens to us, but we can always choose how we feel about it."

"Perseverance is something larger. It's the long game. It's about what happens not just in round one but in round two and every round after...until the end."

Focus on Helping Others

When you're facing a huge challenge, focusing on yourself will only make you feel all alone, leading to despair and hopelessness. However, when you focus on a wider purpose or how your actions will impact others, it distracts you from your own fears/pain and gives you strength to go on. When Commander James Stockdale was captured during the Vietnam War, he knew that he'd inevitably be tortured for information. Instead of worrying about his own survival, he focused on his mission and role as a leader. He used his energy to create a support network amongst his fellow prisoners, gave them a purpose and helped them (and himself) to survive the dire situation.

Strength is more easily found in service to others. Fortify your will by focusing on something bigger than yourself.

Contemplate Death

Every human being will die. In fact, you could die at any moment without warning. Contemplate mortality by asking yourself: what would you do if you only had a short period left to live? Then, live your life as if that were the case. After nearly dying in a horse-riding accident, French nobleman Michel de Montaigne stopped fearing death. He embraced life and went on to become a famous writer, mayor, dignitary, and royal confidante.

Use your mortality to create urgency. Seize the day and live intentionally. When you can embrace death—the biggest possible obstacle in your life—all other challenges will seem small in comparison.

Embrace the Cycle of Life

Life will never stop throwing you challenges. In fact, the more you achieve, the bigger the challengers you'll face. Don't delude yourself into thinking that you'll ever be problem-free. Instead, pace yourself, keep things in perspective, continuously take action and grow

KEY QUOTES

"Lend a hand to others. Be strong for them, and it will make you stronger."

"Shared purpose gives us strength."

"Death doesn't make life pointless, but rather purposeful."

"See things for what they are. Do what we can. Endure and bear what we must."

stronger with every obstacle you conquer. Combine Perception, Action and Will, and let the obstacles lead the way.

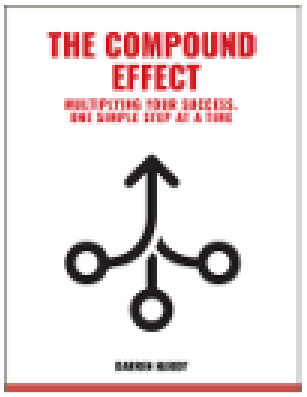
Other Details in the Book to Look out For

In this book, Holiday presents a series of stories and citations to show you how to perceive, take action and persevere in face of obstacles. In this summary, we've only outlined the key ideas and selected examples. For more details, please visit https://ryanholiday.net/.

About the Author

Ryan Holiday (born 1987) is an American author, marketer, entrepreneur and founder of Brass Check (a creative advisory firm). He began his professional career at the age of 19, and is a media strategist, a former director of marketing for American Apparel and a media columnist and editorat-large for the New York Observer. Holiday has been credited by the New York Times with the increasing popularity of stoicism.

KEY QUOTES



THE COMPOUND EFFECT

Multiplying your Success.
One Simple Step at a Time.

Darren Hardy

The Big "So What"

We're constantly surrounded by media and marketing messages that tell us we can buy secret formulas and shortcuts to overnight success. This book debunks those myths, and focuses on a simple but profound truth -Success comes from the small things that we do consistently, everyday, compounded over time. Hardy breaks down how the Compound Effect works, and presents an action plan to harness it for truly exponential success.

Introduction

Hardy's parents were divorced when he was very young, and he grew up with his dad as a role model - someone who lived a life of discipline and personal ownership. Hardy was trained to be an achiever from young, making a 6-figure income by the age of 18. Through his own experience and working with numerous successful people, Hardy found the Compound Effect to be the true magic behind massive success. Specifically:

- By 27 years old, Hardy had grown his own company to more than $50million;
- As the ex-publisher of SUCCESS magazine, he had interviewed many thought leaders, business magnates and leaders, and reviewed huge amounts of success material; and
- As a speaker and trainer, he had personally trained thousands of entrepreneurs and seen their real-life case studies.

Old School Success, not Microwave Mentality

Most of us are constantly bombarded by sensational stories and promises of secret formulas that deliver

KEY QUOTES

"This book is about success and what it really takes to earn it."

"I'm going to teach you to harness the power of the Compound Effect, the operating system that has been running your life, for better or worse."

"It's time someone told it to you straight….There is no magic bullet secret formula, or quick fix."

"I'm a true believer in the Compound Effect because Dad made sure that I lived it, each and every day, until I couldn't live any other way if I tried."

"As a society, we have been deceived. We've been hypnotized by commercial marketing, which convinces you of problems you don't have and sells you on the idea of insta-fixes to 'cure' them. We have been socialized to believe in the fairy-tale endings found in movies and novels. We've lost sight of the good, old-fashioned value of hard and consistent work."

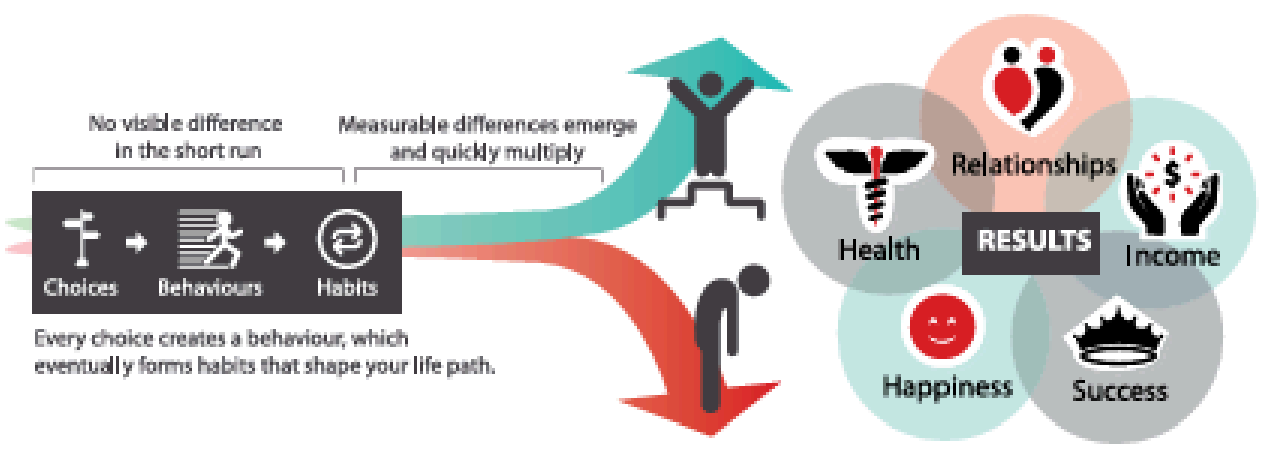
overnight riches, health, youth etc...so much so that we've lost sight of the simple fundamentals of success.

Success comes through boring, seemingly-inconsequential and sometimes-difficult daily disciplines, compounded over time. It doesn't just appear like our microwave meal, overnight mail, or 30min lenses (contrary to what we've been sold). That's why success usually skips a generation - when we experience long periods of prosperity, we tend to get complacent and stop doing what we used to do. So, it's time to rid ourselves of the insta-results mentality, and go back to what really works–the old-school work ethics that our grandparents valued and lived.

Understanding the Compound Effect

The Compound Effect is the "principle of reaping huge rewards from a series of small, smart choices". In a nutshell:

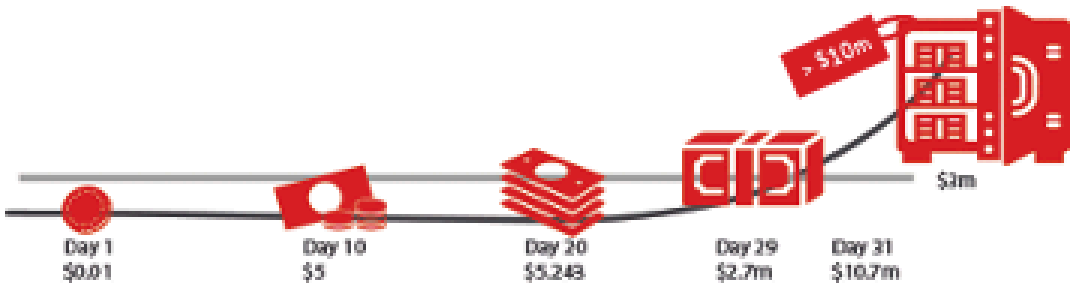
"Small, smart choices + Consistency + Time = RADICAL DIFFERENCE"



The Compound Effect in Action

Hardy presents 2 simple but powerful stories to illustrate this:

- The Magic Penny. Which is better - taking $3 million in cash now, or a single magic penny that will double in value every day, for 31 days? Most people will choose the $3m cash immediately. Indeed, if you took the penny, you'll have only about $5,000 in 20 days. But, in the remaining 31 days, this amount will compound to $10,737,418.24, way more than the $3m cash.



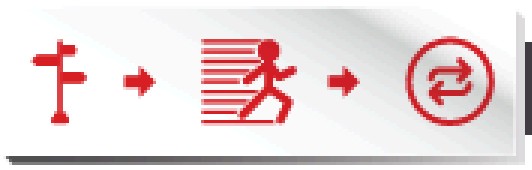
KEY QUOTES

"I want you to know in your bones that your only path to success is through a continuum of mundane, unsexy, unexciting, and sometimes difficult daily disciplines compounded over time."

- **Three Friends.** Let's assume they share similar circumstances.
  - Larry keeps doing what he has always done.
  - Scott makes some small, positive changes daily e.g. reading 10 pages, cutting 125 calories by replacing soda with water, walking an extra 1,000 steps.
  - Brad makes a few poor choices e.g. buying a big TV (to enjoy his favourite shows), eating more dessert and adding 1 drink per week to his new bar .

At month 10, there are no perceivable differences. By month 25, measurable differences can be seen and by month 31, the differences quickly become stark. Scott loses 33.5lbs, gets a promotion and raise, and his marriage is thriving. Larry is exactly in the same space and feeling bitter about it. Brad, on the other hand, puts on 33.5lbs (weighing 67lbs more than Scott). He has been feeling sluggish and less confident about himself, became less productive at work and more withdrawn from his marriage, leading to unhappiness both at work and at home.

Such is the nature of The Compound Effect. There're no perceivable differences in the short run. But, once the visible and measurable differences emerge, they multiply quickly .



Choices → Behaviours → Habits

Every choice generates a behaviour, which eventually forms habits that reinforce our future choices. Hence, every decision affects your life path (e.g. deciding to eat that cookie, marrying your spouse).

Small Choices and Actions Matter

Our small, regular choices and actions may seem insignificant, but they compound over time:

Small steps, big outcomes. When we decide to watch an extra hour of mindless TV, or eat that extra packet of potato chips, we're actually starting the Compound Effect, in the negative direction.

Your small actions are practically invisible in the early stages,

KEY QUOTES

"The Compound Effect is always working. You can choose to make it work for you, or you can ignore it and experience the negative effects of this powerful principle."

"Each choice starts a behaviour that over time becomes a habit"

"You make your choices, and then your choices make you. Every decision, no matter how slight, alters the trajectory of your life."

"You've been sleepwalking through your choices...the decisions you think don't make any difference at all."

"The magic is not in the complexity of the task; (it) is in the doing of simple things repeatedly and long enough to ignite the miracle of the Compound Effect."

and no one will notice or celebrate them. But eventually, there'll be a huge payoff that's out of proportion relative to the small individual actions. For example, the #1 golf player may be only 1.9 strokes better than the #10 golf player, but earns 5 times the prize money.

Ripple effects & Future-value. Every $1 you spend today is probably equivalent to $5 or more in the future, because that same dollar could've been invested for compounded returns. Each decision also has ripple effects, like how Brad's extra desserts and sodas affected his energy levels, self-esteem, work and marriage. So, the next time you see a $50 bargain item, ask yourself if it is worth $250. Use this future-value perspective for all areas of your life.

Take Full Control

100% ownership. Once you take full responsibility for everything that happens to you (including your responses, actions or inactions), you'll be free from victimhood and regain total control of your life.

Get "lucky". Being lucky or unlucky is merely a matter of perspective. If you look carefully, there will always be something "lucky" about your circumstances (e.g. living in a free society, having a roof over your head). Here are 4 ingredients to get lucky:

- Preparation, or your personal growth, which determine if you're ready to take advantage of the opportunities when they come;
- Attitude, or your beliefs and mindset, which determine if you can see the "luck" and opportunities around you;
- Opportunity, or something good that's happening; and
- Action, i.e. actually doing something to leverage it.

Luck = Preparation + Attitude + Opportunity + Action

Gratitude & Positives. When you notice and recognize the positives, you respond differently and trigger more positive responses.

- As a surprise Thanksgiving gift for his wife, Hardy spent a year journaling 1 thing a day that he appreciated about his wife. When he focused on her good points, he himself showed up differently in the marriage, triggering more positive responses from her.

KEY QUOTES

"Your life is the product of your moment-to-moment choices."

"You alone are responsible for what you do, don't do, or how you respond to what's done to you."

"Embrace the fact that you are freed by your choices, as long as you assume personal responsibility for them."

"We are all lucky... The difference is when luck came my way, I took advantage of it."
- Richard Branson

"We are what we repeatedly do."
- Aristotle

- If you are in a management or leadership role, take an hour each week to walk around, notice small things that people are doing right, and give your recognition or appreciation.

Habits Stick

Our conditioned responses from childhood form habits and routines which we do automatically without thinking. Habits are like saplings that grow into trees-the older they get, the harder they are to uproot. However, they can be conditioned, and you can compensate for a lack of innate ability by cultivating the right habits.

Putting the Compound Effect to Work

Start tracking

You can't change what you're unaware of. Tracking forces you to become conscious of your decisions and habits. Hardy challenges you to immediately pick the area that you want most to succeed in, then track everything you do relating to this area. This process is extremely tedious, but Hardy insists that if you want to see results, you must do it. What you learn about your own habits will transform your life.

Find your "why" and motivation.

The Compound Effect is a very simple concept, and most of us know what we should or could do. Yet, we don't do it because:

- The steps that we're taking now are so small that they don't feel significant, so we stop them assuming they don't matter;
- It takes time to see the payoffs, and we give up mid-way; and
- The instant gratification from a poor choice (e.g. eating that sugar-laden doughnut) is much greater than the intangible, rational long -term impact.

One of the solutions is to find your "why-power", i.e. the reason that will move and compel you to keep going, even when it's boring or difficult. This seldom comes from material goals, but from someplace deeper inside you.

KEY QUOTES

"Habits can be helpful–as long as they're good habits."

"(It) is about choosing to make up for what you lack in innate ability with discipline, hard work, and good habits."

"Step by step, day by day, your choices will shape your actions until they become habits, where practice makes them permanent."

"Tracking is my go-to transformation model for everything that ails me."

"This one action isn't easy, but it's simple and doable. So do it."

"Here's the bottom line: You already know all that you need to succeed...New or more information is not what you need–a new plan of action is."

Core values. These are what you stand for and act as your inner compass. Once you've clearly defined your values, it's much easier to choose between conflicting options, and you feel happy and congruent about your decisions.

Find your "enemy". Identifying an "enemy" (e.g. injustice, dishonesty) can give you the resolve to face up to your challenges. It's okay if your reason is not a noble one; what's most important is that it motivates you.

Goal-setting. To create the Compound Effect you want, you must first know where you wish to go.

- Goal-setting is really about activating the Law of Attraction–your mind filters out 99.9% of the sensory information you receive, so you can focus on what's perceived to be important. When you clearly define your goals, you open your mind and eyes to ideas, people, opportunities etc. that you may otherwise not see.
- Rather than focus on what you must do, focus on the person you must become, so you can attract the success you desire.

Shaping your Habits

It is as important to cultivate good habits as it is to stop habits that are hindering your goals.

5 Strategies to Eradicate Bad Habits

List down your top 3 goals, and then list down every single bad habit that could be sabotaging your progress. For each of these habits:

Identify your triggers. List down the who, what, where and when that are most associated with these bad behaviours;

Clean the house. Remove all cues and items in the house that are linked with these habits (e.g. throw out the junk food if you want to eat healthy, cancel the deals catalogue subscription if you want to cut spending);

Swap it. It's ideal if you can drop the habit altogether. Otherwise, you can replace them with something not

KEY QUOTES

"Forget about willpower. It's time for why-power....when the reason is big enough, you will be willing to perform almost any how."

"Your core values are your internal compass, your guiding beacon, your personal GPS."

"Something almost magical happens when you organize and focus your creative power on a well-defined target."

"Success is something you attract by the person you become."
- Jim Rohn

"What stands between you and your goal is your behaviour....what habits and behaviours do you need to subtract from and add to your life?"

"Habits and behaviours never lie. If there's a discrepancy between what you say and what you do, I'm going to believe what you do every time."

as harmful, or even good (e.g. swapping large chocolate bars for bite-size pieces, swapping potato chips for carrot sticks);

Ease in gradually. Some people prefer to take baby steps and ramp up over time (e.g. gradually reducing your alcohol intake);

Or **dive right in**. Others prefer to bite the bullet, go cold turkey and get it done once and for all (e.g. just stop alcohol immediately).

You can also **do a "vice check"**. Take anything that you're doing in moderation, but know isn't good for you (e.g. ice-cream, fried food, junk TV programs). Try to abstain from it for 30 days–if you find yourself struggling to abstain, then it is probably a habit worth kicking.

6 Ways to Cultivate Good Habits

Installing positive habits are like planting trees–it requires time, effort and nurturing.

Set yourself up for success. A new habit must be something you do daily, which means it has to work within your lifestyle. Make it easy for yourself e.g. pick a nearby gym, stock healthy food at home.

Add, not subtract. Rather than think of what you have to sacrifice or subtract (e.g. your ice cream or burger), think of what you can have or add in (e.g. your healthy salad and whole grains).

Be publicly accountable. Make your goals public, so you feel more committed and accountable to deliver them.

Have a Success Buddy, so you can hold each other accountable, work on new habits together, exchange learning points etc.

Use **friendly competition** to create additional motivation and inject some fun into the process.

Celebrate. Make time to celebrate and reward yourself for the small victories.

KEY QUOTES

"You will never change your life until you change something you do daily. The secret of your success is found in your daily routine."
- John C. Maxwell

Routines and Rhythm

Change is difficult, but necessary, if you want exceptional results that others don't get. The process will take time, effort, and you will certainly stumble. To help yourself, build routines (the things you'll do daily without fail) and rhythms that support your new and habits goals.

Identify the behaviour and habits you need to support your goals

Bookend your day, so you start and finish strong.

- Starting your day. Hardy shares his morning routine, which starts with a gratitude exercise, "sending love" or blessings virtually to others, thinking of his #1 goal, stretching for 10min, reading something positive and constructive for 30 min, focused work for 1 hour, calibration (review of key short and long term goals, before deciding on his 3 Most Valuable Priorities for the day).
- Ending your day. Hardy typically reviews his day, journals his new ideas or insights, read at least 10 pages of an inspirational book before going to sleep.

Keep things fresh, e.g. shake up your routine every week, month or year, to do something different and exciting. If you find that something no longer energizes you or delivers results, swap it.

Get into a rhythm. Besides your daily rhythms (built through your daily disciplines and routines), Hardy recommends that you design a weekly, monthly and quarterly rhythm schedule, i.e. items which you put into your schedule and honour with full commitment, like a date night with your spouse, a family day, new adventures or holidays. In the book, Hardy also demonstrates how he consolidates all the points above into a "rhythm register" so he can keep track of his new behaviours.

Be Consistent. Most people are pumped up at the start of an exciting new project or goal, dash too fast, burn out, and have to start the process all over again. Repeated start-stop cycles drain time and energy, breaks whatever momentum you may have built, and you may find yourself giving up after some time. Instead, take small, manageable steps that you can maintain consistently.

KEY QUOTES

"Change is hard. That's why people don't transform their bad habits....Ordinary is easy. Extra-ordinary is what will separate you from the crowd."

"The greater the challenge, the more rigorous our routines need to be."

"Developing a routine of predictable, daily disciplines prepares you to be victorious on the battlefield of life."

"Jim Rohn taught me that life is simply a collection of experiences; our goal should be to increase the frequency and intensity of the good experiences."

"Once all this is scheduled you no longer have to think about what you need to be doing... We've created a rhythm that gives us momentum.

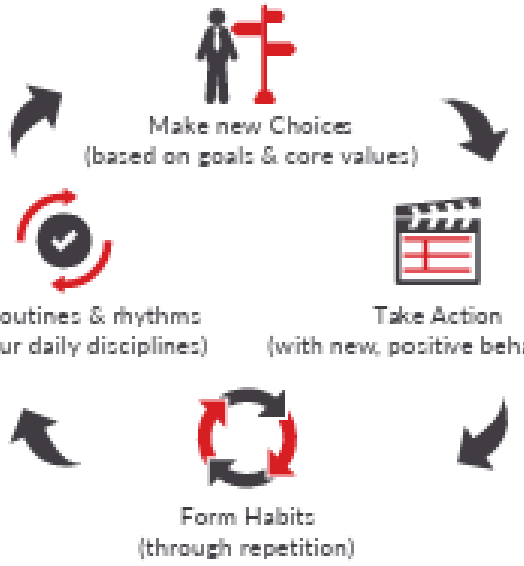
"Remember, consistency is a critical component of success."

Momentum

Momentum, or "Big Mo" is one of the most powerful components behind success. Most of us have learned in Physics that objects at rest stay at rest (unless impacted by an outside force), while objects in motion tend to stay in motion (unless stopped by an outside force).

Overcoming the initial inertia is always the hardest, but once you have momentum, you'll be hard to stop even if you put in less effort. But remember–momentum works both for and against you. Your bad habits, if left unchecked, can also spin out of control.

We've covered the key components to get the Compound Effect in motion. The key is to keep doing them consistently, until Big Mo kicks in.



Influences

Our thoughts and feelings, and eventually our choices, behaviours and habits are all affected by 3 key sources of influence:

Input (what we feed our minds). We need to protect our minds and be deliberate with what we put in them.

Rather than watch or listen to negative inputs and bad news (e.g. murders, conspiracies, economic downturns), feed your minds with information of what's good, right or possible with the world (e.g. stories of success, innovation, love). Hardy shares how he maintains a strict media diet:

- Filter the junk. Hardy doesn't listen nor watch any news. He only subscribes to selected RSS feeds with updates that are relevant to his interests and goals;

KEY QUOTES

"The most challenging aspect of the Compound Effect is that we have to keep working away for a while, consistently and efficiently, before we can begin to see the payoff."

"Big Mo can catapult you into the stratosphere of success. And once you've got Mo on your side, there's almost no way anyone can catch you."

"Miss only a couple weeks of anything…and you don't jut lose the results those two weeks would have produced…. By slacking off for even a short time, you killed Mo."

"Your choices, behaviours, and habits are influenced by very powerful external forces… you'll need to understand and govern these influences so they will support rather than derail your journey towards success."

- Use travel time wisely. Most of us spend hundreds of hours on the roads. Simply by listening to instructional CDs or audios while on the go, you can effectively gain knowledge in practically any field of your choosing.

Associations. We become the average of the 5 people we spend the most time with (Jim Rohn), though we are often unaware of their influences. The best way to improve our potential is to spend the bulk of our time with people who possess the traits we seek to acquire. Start by listing down the people you spend the most time with, then the people you most admire-ask yourself if you need to change your associations.

You can take 3 steps to change your associations. First, *disassociate* with people who constantly drag you down or pull you away from your goal. Second, *limit your associations* e.g. don't spend 3 hours with someone you should only be spending 3 minutes with. Third, *expand your associations* by reaching out to people who have the qualities that you wish to grow in; join the organizations, clubs or networking groups where these people gather.

To push yourself forward, you can also explore these options:

- Peak Performance Partner. This is someone you trust to give you honest, objective feedback, including how you are showing up, what your strengths and areas of improvements are. You can also make yourself accountable to share your goals, corrective measures, insights with your partner .
- Mentor. The most successful people realize they are never good too good to have a mentor, and they invest in mentorship and coaching. Effective mentorship requires that you are open to be guided and moulded.
- Create your Personal Board of Advisors. Find positive people who have achieved the success you want, reach out to them, and ask for feedback and input.

Environment. Your environment is more than where you live–it includes your physical, mental and emotional space. Clutter, things that don't work, incomplete tasks/ promises etc. all drain us and deplete our capacity

KEY QUOTES

"The great danger of the media is that it gives us a very perverted view of the world. Because the focus and the repetition of messaging is on the negative, that's what our minds start believing."

"You cannot hang out with negative people and expect to live a positive life."

"Determine the quality of life you want to have, and then surround yourself with the people who represent and support that vision."

"I have always found it interesting that the most successful people, the truly top performers, are the ones wiling to hire and pay for the best coaches and trainers there are. It pays to invest in your improved performance."

"The dream in your heart may be bigger than the environment in which you find yourself. Sometimes you have to get out of that environment to see that dream fulfilled."

to reach our goals. Create a positive environment that supports your goals and growth, and do not tolerate anything that takes you away from them (e.g. disrespect, sloppiness).

Acceleration

It is inevitable that we will hit roadblocks on our way to success. However, these challenges are actually opportunities to break free from our old selves and old limits.

The key is to do your best, and then give *even more*. When you've hit your max or your wall, keep going just a little longer. That little bit more expands your limits exponentially –much like the last few days of the magic penny .

Go beyond expectations, by doing the unexpected, and doing *better* than expected. Your ultimate breakthroughs come from beating yourself, and/or others' expectations of you. That little extra multiplies your results manifold and delivers the "wow" .

Start NOW

The Compound Effect only works if you take action. Time is the essence, so start now:

The earlier you take action, the bigger the results will be. It's never too late to start, and no action is too small. A 0.5% improvement a week will compound to 2% each month, 26% a year and 1,000% in 10 years.

Start small, start slow. There's no need to take massive leaps:

- Start by *tracking just 1 category or habit for 1 week*. Then, extend to tracking 1 habit for 3 weeks. For example, if you want to save 10% of your earnings, but are struggling to make ends meet, start by tracking everything you spend. You'll definitely find items you can cut, reduce or substitute without a perceivable lifestyle loss.
- Start with *one small, easy task* that doesn't even stretch you–the key is to start the process, and let

KEY QUOTES

"You will get in life what you accept and expect you are worthy of."

"There's a point in every race when a rider encounters his real opponent and understands that it's himself."
- Lance Armstrong

"It's not getting to the wall that counts...The real growth happens with what you do after you're at the wall."

"It's the extra effort after you have done your best that is the difference maker."

"When you hit the wall in your disciplines, routines, rhythms, and consistency, realize that's when you are separating yourself from your old self, scaling that wall, and finding your new powerful, triumphant, and victorious self.

"You can do more than expected in every expect of your life."

"The key is to start NOW. Every great act, every fantastic adventure, starts with small steps. The first step always looks harder than it actually is.."

the *Compound Effect* kick in. For example, if you want to lose weight and become fit enough for a marathon, start by walking a few rounds daily for 1 week, then do a slow comfortable jog and gradually ramp up.

Other details to look out for in the book

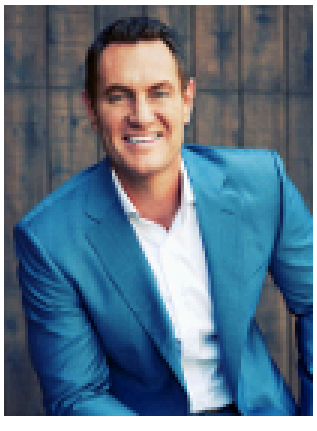
This is a compact, easy-to-read book that's full of interesting examples to help you understand the *Compound Effect*, as well as inspiring stories of people who delivered exceptional results using the principles in the book (e.g. Steve Jobs, Lance ArmStrong, Oprah etc.).

Hardy urges you to take *immediate* action, and the book comes with a range of resources and tips for that purpose:

- Each chapter ends with "Action Summary Steps" that you could apply; and
- A set of useful tools are appended in the "Resource Guide", including worksheets for gratitude assessment, core values assessment, goals assessment, habits assessment, weekly rhythm planning, self-improvement, influence assessment etc.

You can also download these resources at the The Compound Effect website (www.thecompoundeffect.com).

About the Author



Darren Hardy is an American author, keynote speaker, advisor, and former publisher of SUCCESS magazine, with more than 20 years of experience in the personal growth and success industry . He has led three success television networks producing over 1,000 TV shows with famous thought leaders.

In December 2015, Hardy announced his decision to leave Success magazine as publisher to focus on new opportunities including speaking engagements, media appearances and private mentoring. Find out more about Hardy at www.DarrenHardy .com or access free mentoring tips at his website www.darrendaily.com.

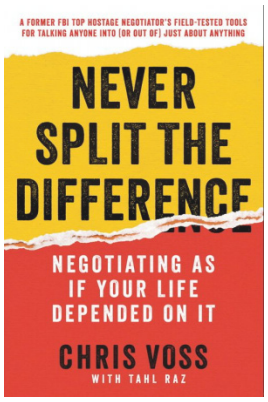
KEY QUOTES

"This book isn't designed to entertain you; it is designed to help you get results. To get results, you have to take some action."

"Motivation without action leads to self-delusion."

"My core value in life is significance. My desire is to make a positive difference in other people's lives. So to accomplish my goals, I need you to accomplish your goals. It is your testimonial of life-changing results I'm after."

"Whatever I want in life, I've found that the best way to get it is to focus my energy on giving to others."



NEVER SPLIT THE DIFFERENCE

Negotiating As If Your Life Depended On It

BY CHRIS VOSS

The Big "So What"

In this book, experienced FBI negotiator and award-winning teacher, Chris Voss, shares tried-and-tested techniques for negotiations, that can be applied in a wide range of work and personal scenarios, from hostage situations to buying your house.

Introduction

What would you do if you were to receive a call that says, "We have your daughter. Give us $1 million or she dies?" With more than 20 years' experience as a hostage negotiator with the FBI, Voss was involved in a range of high-stakes situations and saw how the approach to negotiations has evolved over the years. After teaching and testing his techniques at various leading universities, he found that his experience could be applied to a wide range of work and personal life situations.

This is because the fundamentals of human negotiations—be it to free a hostage, buy a car, or get a pay raise—are essentially the same. It boils down to the primal desire of getting what we want. Although we try to evaluate our options logically, our final decisions are ultimately emotions-driven and irrational.

Negotiation Strategies and Tips

Establishing Rapport

Negotiations are essentially about building rapport and having a dialogue. To be a good negotiator, you must master your active listening skills and tools:

KEY QUOTES

"This book will teach you to reclaim control of the conversations that inform your life and career."

"Kidnappers are just businessmen trying to get the best price."

"Life is negotiation. The majority of the interactions we have at work and at home are negotiations that boil down to the expression of a simple, animalistic urge: I want."

"The language of negotiation is primarily a language of conversation and rapport: a way of quickly establishing relationships and getting people to talk and think together."

Hypothesize; don't assume. Smart negotiators expect surprises in negotiations and aren't fixated on their assumptions. Instead, they prepare various hypotheses of what the other party really wants, and focus on *testing these hypotheses* during the negotiations.

Listen fully. When others are talking, most of us don't really pay attention; we're too busy formulating our own arguments in our heads. *Silence that inner dialogue*, and focus on listening to what the other party has to say. In so doing, you make them feel safe and quieten their own internal voices.

Don't rush. Don't rush toward a resolution; it makes the other party feel like they're not being heard, and breaks the *trust* required for a proper conversation. To get the other party to talk about what they want, you must slow down, listen, validate their feelings and make them *feel safe* to engage in a dialogue.

Use the right tone of voice to influence emotions. When people are in a positive state, they think better and are more willing to collaborate. There are 3 key types of voices in negotiations:

- Most of the time, you should be using the "*positive/playful voice*". Relax, smile, and speak slowly and clearly, to project the image of someone pleasant and amicable.

- Use the "*late-night FM DJ voice*" to make a point. Keep your voice calm, slow and warm, to project authority and trustworthiness. Make your statements using a downward voice inflection (which conveys you're in control), and use an upward inflection to invite a response.

- The "*assertive voice*" is rarely used, as it usually provokes the other party to push back.

Pause and encourage. *Silence/pauses* can be very effective for emphasis and to encourage the other party to talk freely. You can also use *simple phrases* like "Yes", "OK, "I see" to show that you're listening and encourage them to share more.

Humans instinctively trust what's familiar and fear what's different. **Use mirroring** to encourage the other party to talk more, build rapport and buy time to uncover their wants. Essentially, you're *imitating* the other person's speech patterns,

KEY QUOTES

"Negotiation is not an act of battle; it's a process of discovery. The goal is to uncover as much information as possible."

"When you slow the process down, you also calm it down. After all, if someone is talking, they are not shooting."

"When you radiate warmth and acceptance, conversations just seem to flow."

tone, vocabulary etc. One technique is to repeat the last 3 words or 1-3 key words that someone just said.

Handling aggression. Imagine you're facing an aggressive boss who just asked you to redo a project by the end of the day. To get your way without direct confrontation:

- Use the "*late-night FM DJ voice*" to calm him. Start with "*I'm sorry*…" then *mirror* his words with an inquisitive tone (e.g. "I'm sorry, redo everything by today?"). *Pause* for at least 4s, so the mirror can work, then *repeat* the process in response to his reply.

- Instead of saying, "What do you mean?" or "That's impossible", this approach prompts your boss to *explain* what he wants and why. In so doing, he may realize he only needs you to redo part of the work, or he doesn't need it by today.

Showing Empathy and Building Trust

People feel good when they are heard and understood. Focus on building a connection, not on getting what you want, to lay a strong foundation for the communication. Practice these techniques until empathy becomes habitual to you.

Tactical empathy. Being empathetic doesn't mean you must agree with others. It's about putting yourself in their shoes and understanding them. In negotiations, tactical empathy shows that you're listening and encourages your counterpart to share more, so you know what motivates them and how to influence them.

Labeling. There's usually an *underlying emotion* beneath any behavior, e.g. someone who's aggressive may be acting out of underlying feelings of insecurity. Labeling is about validating someone's feelings, by giving it a name to show you understand how they feel, e.g. "It seems like you're worried about losing control of the situation."

- To label the emotion, you must first *detect the feelings*. Start by asking simple questions like, "How's your family?", and take close notice of their responses, e.g. they may say they're ok, but visibly tense up or frown.

KEY QUOTES

"Being right isn't the key to a successful negotiation—having the right mindset is."

"There is nothing more frustrating or disruptive to any negotiation than to get the feeling you are talking to someone who isn't listening."

"Empathy is not about being nice or agreeing with the other side. It's about understanding them."

"Empathy helps us learn the position the enemy is in, why their actions make sense (to them), and what might move them."

"Think of labeling as a shortcut to intimacy, a timesaving emotional hack."

- You can label using *statements or questions*, starting with "It seems like…", "It looks like…." or "It sounds like". Avoid starting with "I", as it's more likely to make the other party defensive. Once you've put out a label, *be silent and listen*.

- When you label negative feelings, it reduces their *intensity*. When you label positive feelings, it strengthens or amplifies them.

The **best way to deal with negative feelings** is to get them out of the way asap.

- Denying a negative will only strengthen it. It's better to *acknowledge it* without judgement, then replace it with a positive idea or solution. By stating the worst possible things upfront, you diffuse the emotions and make them less scary. It also makes people feel understood and removes barriers to communication.

- Use an *accusation audit* to disarm your opponent:
  i. List down every bad thing or accusation that he/she can throw at you;
  ii. Label the fears upfront (e.g. "I understand you think I'm abusing my authority" or "You may feel like I'm treating you unfairly"); and
  iii. Ask for feedback or inputs.

The next time you encounter an angry customer or colleague, try using mirroring and labeling to diffuse the situation and turn it around.

Using "No" to Create Safety & Momentum

When someone says "Yes", it doesn't mean they agree with you. They could be avoiding conflict, or giving a quick response to a yes/no question. When someone is pushed to say "Yes" too quickly, it can make them feel defensive. Instead, invite them to say "No" to move your negotiation forward.

What "No" really means. When someone says "No", it's often not a clear-cut rejection, but a way of saying "I'm not ready to agree yet", "I need more information", or "I need more time".

KEY QUOTES

"Every one of us has an inherent, human need to be understood, to connect with the person across the table."

"The fastest and most efficient means of establishing a quick working relationship is to acknowledge the negative and diffuse it."

"'No' is the start of the negotiation, not the end of it."

"Your invitation for the other side to say "No" has an amazing power to bring down barriers and allow for beneficial communication."

Get from "No" to "Yes". When someone has the ability to say "No", it satisfies their *primal need* to feel safe and in control. Once someone has said "No", you can nudge them forward with questions like, "What about this doesn't work for you?" or "How could we make this work?". This allows them to bring up the real issues, tell you what they want and don't want, and feel ownership of the ideas/solutions.

Extracting a "No". Not everyone is ready to voice their objections. You can nudge someone to say "No" by (a) deliberately *mis-labeling* their wants or feelings, or (b) asking them *what they don't want*. Once they have voiced their objections, they tend to be more open to explore other options.

Getting a response. If someone has been ignoring you or your emails, you can use a *No-oriented question* that suggests you're ready to walk away, e.g. "Have you given up on this deal?" or "Are you dropping this project?". No one likes to be left behind or abandoned, and they'll typically respond.

Getting Permission to Persuade: "That's Right"

There are 2 magic words that can transform any negotiation, and are even better than "Yes". The words are: "That's Right".

When people feel **understood and affirmed**, they are more likely to take constructive actions.

- "That's right" may come in the form of a *subtle realization*, when the other party suddenly embraces something you've said, without even realizing their own shift.
- To influence change, you must first show an *unconditional positive regard*—to accept the other party as he/she is.

You can **use a summary** to trigger a "That's Right".

- This involves *2 elements*: *paraphrasing* (repeating what the other party said in your own words) and *labeling* (acknowledging the underlying emotions).
- This requires that you *listen carefully*, so you can summarize what the other party thinks and feels. Once you get a "that's

KEY QUOTES

"Good negotiators know that their job isn't to put on a great performance but to gently guide their counterpart to discover their goal as his own."

"Every 'No' gets me closer to a 'Yes'."
-Mark Cuban

"The sweetest two words in any negotiation are actually "That's right".

"The moment you've convinced someone that you truly understand her dreams and feelings..., mental and behavioral change becomes possible, and the foundation for a breakthrough has been laid."

right", you'd be in a better position to present how your solution helps them to achieve what they want.

"**You're right**" are 2 of the worst words in negotiations. It means the person is just agreeing so you'll shut up, and nothing will change.

Shaping Reality & Perceptions

Many people address conflicts by taking the middle ground. Good negotiation is about finding leverage in any situation and securing the best possible deal. Never split the difference.

Get time on your side. Time is one of the most critical components of a negotiation. Often, we're afraid to lose out, and thus rush into decisions that are not in our best interests.

- Most deadlines are artificially created and can be changed. Remember this rule: "*No deal is better than a bad deal*."
- If you know the other party's *drop-dead deadline*, you can work it to your advantage, e.g. it's usually easier to get a good deal toward the end of a month/quarter. If you have a firm deadline, make sure you start wheeling-and-dealing early enough, so you won't be pressured to make a hasty decision at the end.

The **perception of fairness** is key to negotiations. People retaliate when they feel they've been treated unfairly, and make irrational choices just to reject that sense of unfairness.

- In Voss' classes, he plays an "*Ultimatum game*": students are split into pairs, a "proposer" is given $10 and has to propose a split to an "accepter". If the accepter agrees, both parties get the money; if he refuses, both sides get nothing. Most accepters will reject an offer that's less than ½ of what the other party gets, and will feel offended if it's ¼ or less. No one agrees to a $10/$1 split, even though getting $1 is better than getting $0.
- Build a reputation for being a *fair negotiator*. You can also set the stage early in the negotiation by saying, "I want you to feel that you're fairly treated at all times. Please stop me

KEY QUOTES

"There's always leverage… We all have irrational blind spots, hidden needs, and undeveloped notions."

"Don't compromise. Meeting halfway often leads to bad deals for both sides."

"Deadlines are often arbitrary, almost always flexible, and hardly ever trigger the consequences we think—or are told—they will."

"While we may use logic to reason ourselves toward a decision, the actual decision making is governed by emotion."

at any point if you feel I'm being unfair." If your counterpart tries to get concessions from you by saying the deal is unfair, stay calm and ask him to explain how it is so.

Bend their reality. Although our decisions are irrational and emotionally-driven, there are mental patterns that can be used to influence decisions. Identify the other party's emotional drivers (pain, problems and desires), then show that (a) you can deliver what they want *and* (b) they'll lose something concrete if the deal falls through.

- Before presenting your offer, , use an *extreme anchor* to bend the other party's reality and set low expectations. Imagine you need to renegotiate a contract from $1000 to $400. Start with an accusation audit to acknowledge all their worst fears (e.g. they'll probably lose the contract). Then, present the opportunity to retain the contract at just $400. Most people will accept the deal.

- If possible, *let the other party make the first offer*; it gives a sense of their numbers, which may sometimes be higher than your intended closing figure.

- If you had to go first, *set a range*, e.g. if you're willing to close at $1000, you can say "these services can go for as much as $1300- $1600 in top companies". The other party will often look at the lower end of the range.

- *Go beyond monetary terms*, so you don't end up bargaining purely on numbers. After setting a high anchor, you can offer other things of value to the other party.

- *Use odd numbers*. Round numbers (e.g. $40,000) feel like estimates that can be negotiated, while an odd number like $38,257 feels like a carefully calculated bottom-line figure.

- *Throw in a surprise gift*. After your extreme anchor and your counterpart's initial rejection, offer an unexpected (and unrelated) gift. This generates goodwill and the other party may feel obliged to consider your offer or give a counter-offer.

KEY QUOTES

"We are emotional, irrational beasts who are emotional and irrational in predictable, pattern-filled ways."

"Know the emotional drivers and you can frame the benefits of any deal in language that will resonate."

"The real value of anything depends on what vantage point you're looking at it from."

In the book, Voss shares how he used the techniques above to get a hostage back safely for $4,751 and a portable CD stereo (which is a fraction of the initial $150,000 ransom fee). You can also use this approach to negotiate a better salary, a business deal etc.

Creating the Illusion of Control

A good negotiation is not a wrestling match or a showdown, but a process of nudging the other party to reach the conclusion you want. To achieve this, you must put aside your ego and the need to be right. Let the other party believe they are in control and the solutions are theirs.

The **calibrated question** is a powerful tool to affirm someone's views, make requests and introduce new ideas, while allowing the other party to feel in control. This shifts the negotiation from a confrontation into a *joint problem-solving session*. For example, instead of demanding "I want to speak with the hostage to know she's alive", you can ask: "How do I know the hostage is still alive?".

How to calibrate your question:

- Summarize the situation, then ask a "*how" or "what"* question, e.g. "How am I supposed to do that?", "What can I do to make this work?", or "How would you like me to proceed?". This prompts the other party to pause and consider the options.

- As a *general rule of thumb*, avoid questions that can be answered with a yes/no. Start your question with "what" or "how", but not "who", "when" and "where" as these can be answered factually without deep thought. "Why" questions should be used sparingly, since they may sound accusatory.

- To be effective, your questions must be *carefully designed* to nudge the conversation toward your goals, while having the other party think it's their choice.

- Your *tone of voice* is also crucial. Always ask the question calmly and respectfully. If done properly, it makes an aggressive or egoistical counterpart feel like you need his help to overcome the problem. Keep your emotions under

KEY QUOTES

"Let the other side feel victory. Let them think it was their idea Subsume your ego."

"Negotiation (is) coaxing, not overcoming; co-opting, not defeating."

"The secret to gaining the upper hand in a negotiation is giving the other side the illusion of control."

"Asking for help in this manner…is an incredibly powerful negotiating technique for transforming encounters from confrontational showdowns into joint problem-solving sessions."

"The trick to 'How' questions is that, correctly used, they are gentle and graceful ways to say 'No' and guide your counterpart to develop a better solution—your solution."

control and don't counter-attack even if you're verbally attacked or insulted.

Ensure Execution

It's possible to get a "yes", only to have the deal unravel later. As a negotiator, you must observe both verbal and non-verbal cues carefully, to make sure you have a real agreement that will be executed.

Keep asking **"How" questions**: This keeps the other party engaged, helps you to say "No" without a direct refusal and addresses execution issues upfront (e.g. "How am I supposed to raise $2mil?"). More importantly, it helps to create the illusion that they're in control, and the solutions are their ideas.

Consider the **entire team** on the other side, to ensure you're not missing decision-makers who're not at the negotiation table.

- *Ask questions* like: "How does this affect others?" and "How can we ensure we deliver the right solutions to the right people?".

- The *use of pronouns* also gives clues on the person's relative authority—those who use a lot of "I" or "me" tend to be less influential than those who use "we", or "them".

Learn to translate the **subtle cues** that tell you if the other party is lying or uncomfortable about the deal:

- The *7-38-55 percent rule* (by Prof Mehrabian) says that only 7% of a message is conveyed via words; the other 38% comes from the tone of voice and 55% from the body/facial expressions. If possible, conduct face-to-face discussions, so you can look for inconsistencies that suggest things are not what they seem.

- Use the *rule of three* to test if you have a real "Yes", i.e. get the other party to agree to the same thing 3x in one conversation. Vary your approach each time so you can check for consistency in the responses—use labels, summaries,

KEY QUOTES

"'Yes' is nothing without 'How'."

"Remember that these are listener's tools…They're about using the counterpart's power to get to your objective."

and ask calibrated questions (e.g. “how will we know if we’re ontrack?” or “what could be the biggest challenge you foresee?”).

- Most people have certain *giveaway signs* when they lie, e.g. they may use more third-person pronouns (e.g. him, hers, them), or speak in more convoluted sentences.

- People tend to respond more favourably to you as a person. *Use your name* to break the ice, and make yourself “real”.

Use multiple “Nos” to get the other party to bid against themselves and give a **better deal**. Start with more indirect “Nos”, and gradually become firmer.

- You can start with *calibrated questions* (e.g. “How am I supposed to do that?”), which are an indirect way to refuse.

- After the other party makes a counter-offer, you can say “No” again, with a *variation* like, “Your offer is very generous, but I’m sorry, I’m afraid it won’t work for me.” By suggesting your counterpart is generous and apologizing, you trigger empathy.

- As you receive more counter-offers, stay firm and *reinforce your position* with a polite “I’m sorry, no”.

Facing the Professional Bargainers: Prepare Yourself

At some point, you’ll face seasoned negotiators who know similar techniques and will bargain hard. It’s vital to prepare thoroughly before getting to the negotiation table.

Know your/your counterpart’s **negotiation style**. Treat others the way *they* want to be treated, not how you’d like to be treated. There are 3 key negotiation styles.

- *Analysts* are detailed-oriented and systematic, but may seem aloof. They take pride in being patient, thorough and seek to minimize mistakes. If you’re an analyst, remember to smile more. If you’re dealing with an analyst, be prepared with data and comparisons and give them time to analyze options.

KEY QUOTES

“Don’t treat others the way you want to be treated; treat them the way they need to be treated.”

- *Accomodators* seek to build relationships and achieve win-win. They're usually sociable but may be poor time-managers and lack focus. If you're an Accomodator, learn to voice your objections and focus on your goals. If you're dealing with an Accomodator, watch for concessions that they can't deliver.

- *Assertives* want to get things done. They're usually direct, task-focused, and like to win (even at the expense of others). If you're an Assertive, learn to soften your tone and use calibrated questions/labeling. If you're dealing with an Assertive, listen carefully and show that you've understood them (or they won't listen to you); use mirroring, calibrated questions and summaries.

When you're facing an experienced negotiator, **be ready to take punches (and to punch back)**.

- The other party may try to ruffle you with an *extreme anchor*. Stay calm, use multiple "Nos", or shift to other terms.

- If you're pushed to make the *first offer*, try making a generic statement that alludes to a range e.g. "Most good companies would charge $1800-$2,000 per day".

If things reach an **impasse**, you may need to shake things up while maintaining a collaborative climate. Avoid emotional escalation, and focus on the issue objectively.

- If someone poses a ridiculous offer, you can show a little *anger* and say "I don't see how this would ever work." This only works if the anger is real and you can keep it under control.

- *"Why" questions* generally make people defensive, but can be used to flip an uncertain situation to your benefit, e.g. "Why would you work with me instead of your established suppliers?"

- You can also use an "*I" statement* to create a strategic pause, e.g. "I feel_____when you _____ because_____."

- *Be ready to walk away*. If you're clear on your bottomline and it's turning out to be a bad deal, walk away.

KEY QUOTES

"The person across the table is never the problem. The unsolved issue is. So focus on the issue."

"No deal is better than a bad deal…be willing to walk away."

Prepare an Akerman Plan. Use this process to help you predictably meet in the middle: Identify your goal or *target price*. Set your 1st offer (your extreme anchor) at *65%* of your target price. Prepare 3 counter-offers at *85%, 95%, and 100%* of your target price (each to be offered only after calibrated questions, "Nos", and when the other side has made counter-offers). Use a *specific non-round number* (e.g. $7,893) for your final figure and throw in a *non-monetary item* to show you've reached your limit.

Finding the Black Swans

The Black Swan is a metaphor for the "unknown unknowns"—events that seem impossible and can't be predicted. Such hidden or unexpected information are hard to uncover, but can change everything in your negotiations. As a rule of thumb, Voss seeks to uncover at least 3 Black Swans in any negotiation.

Leverage comes from your ability to give what the other party wants, or make them lose what they value.

- Broadly, there are *3 types of leverage*: *Positive leverage* is what you can give (or withhold) that the other party wants. *Negative leverage* is what the other party doesn't want to lose (e.g. money, reputation, time). *Normative leverage* refers to the values or norms held by the other party that support your position, e.g. how your proposal is congruent with their principles.

- Your job is to *identify your counterpart's wants and fears*, and convince them that they have more to lose without a deal.

To effectively influence someone, you must **know their worldview**. Keep an open mind and break out of your own frames of reference.

- Listen fully and *put yourself in their world*. Double-check everything you've heard and use backup listeners who may catch things that you miss.

- The *Similarity Principle* says that we tend to trust people who seem to be similar or familiar. You gain influence if

KEY QUOTES

"Black Swans are leverage multipliers. They give you the upper hand."

"We are all to some degree blind…We do not know what we don't know."

"You want to see what language they speak, and speak back to them."

"In any negotiation…it's not how well you speak but how well you listen that determines your success."

someone thinks you share their attitudes, beliefs, culture etc. Identify and highlight your common ground.

- When you show that you share others' passions and can help them to achieve their *dreams and goals*, they will naturally want to collaborate with you.

Don't be too quick to dismiss what you can't understand. **Dig deeper** and you may uncover a Black Swan. For example:

- People may see things differently due to incomplete or different information: find the *info gaps* and provide the missing info;
- The other party may seem evasive because they're operating under *constraints* (e.g. they can't make the decision, or lack certain resources to proceed); or
- They may simply be acting on a different set of *interests* that you haven't yet identified.

To uncover the Black Swans:

- Use *face-to-face meetings* if possible; the 7-38-55 rule says that a few minutes of face-time can beat days of research or emails;
- Pay attention to *unguarded moments*, e.g. before/after meetings, during a meal, or when someone says something unexpected; and
- Use *calibrated questions and labels/mislabels* to probe for additional information, constraints or other views/interests.

Putting it together: The 1-Page Negotiation Sheet

Voss recommends that you prepare thoroughly, then condense your strategy into 1 page and stay flexible during negotiations:

Prepare for the extremes by considering your best and worst-case scenarios. Then, write down **1 specific best-case goal**, keeping an open mind to accept other better outcomes.

KEY QUOTES

"We're all hungry for a map to joy, and when someone is courageous enough to draw it for us, we naturally follow."

"When we are confronted by (the unknown), we ignore it, we run away, or we label it in ways that allow us to dismiss it."

"Remember: never be so sure of what you want that you wouldn't take something better."

Summarize (in a couple of sentences) the facts that've led to the negotiation, with the aim of getting the other party to say, "That's right." Ask yourself : What do you want (and why)? What do they want (and why)?

Consider how the other party will feel about your summary, and list down all the **possible accusations**. For each accusation, list down 3- 5 **labels** ("It seems like….").

Dig deeper into your counterparts' underlying motivations. Prepare 3-5 **calibrated questions** that will (a) highlight the value of your offer or (b) address potential deal-breakers. Remember to look at things from their viewpoint, not yours.

List down the **non-cash items** that you'd want from your counterpart. Ask yourself: What could they offer to make me do this for free?

Other Details in the Book to Look out For

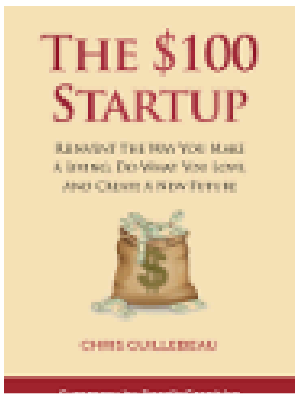
Most of us are afraid of conflict and to push for what we want. Through this book, Voss hopes to help us overcome that fear and uncover value through negotiations. The book also includes useful details including:

- Background on our decision-making processes, and a brief history of how the approach to negotiation has evolved over the years;
- Detailed accounts of various hostage situations (e.g. bank robbery, kidnapping by rebels, prison siege), and Voss' personal mistakes, successes and learning points;
- Detailed case studies/examples of how the techniques were applied by Voss and his students in various scenarios: to close a sale, secure a promotion, change behavior on the football field, etc.; and
- More details on how to prepare your 1-page Negotiation Sheet.

KEY QUOTES

"Motivations are what they are worried about and what they hope for, even lust for."

"If this book accomplishes only one thing, I hope it gets you over that fear of conflict and encourages you to navigate it with empathy."



The $100 Startup

Reinvent the Way you Make a Living, Do what you Love, and Create a New Future

CHRIS GUILLEBEAU

The Big "So What"

With technology today, it's much faster, easier and cheaper to build a small business. This book presents a blueprint to help you start your own microbusiness – one that can coexist with whatever you're currently doing, and/or eventually replace your traditional job. The big idea is, you can do something meaningful that you love, make money while doing it, and define your own future and freedom.

Introduction

Microbusinesses are typically small businesses run by one person. Although they have been around for a long time, technology has made it possible to test, launch and scale your business quickly and cheaply.

Guillebeau identified 1,500 individuals who had successfully built businesses with $50,000 annual net income, mostly with start-up capital of $100 or less (and no more than $1,000). From this group, he focused on the 50 most interesting case studies. Most of them can be operated by ordinary people with no special skills. The case studies are from all over the world, with about half from the USA.

The MicroBusiness Revolution

Charting your future

Many entrepreneurs didn't start out with the intention to do business. They often started out of necessity or accident, e.g. when they lost their jobs, or developed a solution for

KEY QUOTES

"This book...has two key themes: freedom and value. Freedom is what we're all looking for, and value is the way to achieve it."

"The blueprint does not tell you how to do less work; it tells you how to do better work... Read it if you want to build something beautiful on the road to freedom."

"It's a microbusiness evolution – a way of earning a good living while crafting a life of independence and purpose."

"Our story is about people who start their own microbusinesses without investment, without employees, and often without much of an idea what they're doing."

themselves that others also wanted to use. In such cases, the founders had no prior business experience, and often had no idea what they're doing, but succeeded anyway.

They are proof that you can build a business that allows you to do what you want to do. **Your business should work around your life, not vice versa.** Guillebeau's own businesses enabled him to visit almost every country on earth by his early thirties, and he has never held a "real job".

Obviously, you don't need to pursue a nomadic lifestyle if you don't want to. But, if you wish to have a business that gives you freedom to travel round the world, the book includes many such examples. Two of the easiest businesses to start with are information publishing and consulting.

The Point of Convergence

From the case studies, Guillebeau identified 3 key foundations behind the success stories:

Passion. In many of the case studies, people start doing something out of interest or passion – be it arranging free travel using air miles, or making wedding dresses. As more people learn about what they have to offer and ask for it, they start charging a fee, and the business is born. Passion is an important ingredient that keeps us going in face of failures. However, passion alone is not enough.

Usefulness. You must direct your passion toward something that helps people. Specifically, find the point of convergence – the area of overlap between

KEY QUOTES

"The business is structured around my life, not the other way around."

"There's no rehab program for being addicted to freedom. Once you've seen what it's like on the other side, good luck trying to follow someone else's rules ever again."

"There's no failproof method; in fact, failure is often the best teacher...We'll study how these and other brave entrepreneurs forged ahead and kept going, turning potential disasters into long-term successes."

"The missing piece is that you usually don't get paid for your hobby itself; you get paid for helping other people pursue the hobby or for something directly related to it."

what you love to do, and what people are willing to pay for. For example, Benny Lewis travels extensively and enjoys learning new languages. He realized that people are prepared to pay to learn a new language in 3 months, and found a way to monetize this.

Skills Transformation. Your business may not be built directly on your passion or hobby, but on something *related* to it. Most of us are good at multiple things. The crux is to :

- Apply your knowledge or skill to a *related area* that's useful for customers; and/or
- *Combine* a range of ordinary skills in a way that creates value. For instance, a cartoonist needs writing and art skills, a sense of humour and some business experience – each skill may not be outstanding but when combined, they create value.

Creating Value

Your freedom hinges on how far you help or add value to others. Offering value is about helping your customers; at the core, most human needs are emotional (e.g. our need for love and affirmation). For example, people at a horse ranch are not just buying horse rides; they are buying a sense of escapism and happiness. Many restaurants don't just offer food and drinks; they offer a place to relax after a hard day's work. Focus on helping others, and learn to articulate the emotional benefits (not boring features) that you bring.

Give the fish (don't teach them to fish). Very often, customers just want to be served the fish; they don't want to learn to fish. When you visit a nice restaurant, you want to enjoy your meal, not learn to cook. Keep it simple - find out what people want, and just "give them the fish".

Identify opportunities. Ideas and opportunities are everywhere. (Passion + skill) + (Problem + marketplace) = Opportunity.

KEY QUOTES

"You already have the skills you need – you just have to know where to look."

"To succeed in a business project, especially one you're excited about, it helps to think carefully about all the skills you have that could be helpful to others and particularly about the combination of those skills."

"Value is created when a person makes something useful and shares it with the world."

"Value means helping people... More than anything else, value relates to emotional needs."

"Freely receive, freely give... When all else fails, ask yourself how you can help people more."

- *Inefficiencies*: When you're frustrated with the way something works, there are probably others who are also frustrated and looking for alternatives;

- *New technology*: The wide use of smart phones creates not only opportunities for apps and smart-phone gadgets, but also for paper products positioned as alternatives to an all-electronics world. Where there are new technologies, there are new opportunities;

- *Changing space*: Consider if and how a space (e.g. an old, unused building) can be re-purposed for a different use; and

- *Spin-off or side-project*: Consider offshoots from a successful business, e.g. a music teacher who also sells music textbooks.

Identify real wants & needs. We add value when we give people more of what they want (e.g. love, money, recognition, free time), or take away what they don't want (e.g. stress, uncertainty, hassle), or both. Here are some tips:

- *Uncover hidden needs*. Often, what people want is different from what they *say* they want. The best way to assess if you're creating value is to see if customers buy; If they don't, ask what you must do differently.

- *Make your customer a hero*. Consider how you can make your customers look good in front of others - e.g. a software that helps them complete their work faster.

- *Evaluate ideas using money*. Learn to ask questions like "How would I get paid with this idea?", "How could I get paid or get paid more than once with this idea?"

KEY QUOTES

"Compared with working just to make a living, it's much easier to do what you love and get paid for it. You just have to find the right passion, the right audience and the right business model."

"You must focus continually on how your project can help other people, and why they'll care about what you're offering in the first place."

The New Demographics

It's important to know who our customers are, and how to find them. However, instead of traditional demographics like age, gender, race, income, location, it may now make more sense to look at shared interests, values, beliefs, passions, skills.

To **develop new customer groups**:

- *Leverage on a popular hobby, fad or craze* by establishing yourself as an authority and simplifying parts of the process for people. For example, adopting a popular diet plan yourself, then helping others who are struggling to implement the diet.

- *Sell what people buy (and ask them if unsure).* If you're unsure which idea to implement, the best way is to ask your customers or prospects directly. But, instead of asking if they "like" it, ask if they are willing to *pay* for it, and use questions like "What's the #1 thing I can do for you?"

Evaluating options. You may get so much feedback and options from your customers that it becomes overwhelming. Start by capturing all the ideas, then evaluate projects and options using these tools:

Start with a "*baseline evaluation*". There are only 3 things that you must have in a microbusiness (everything else is optional):

- Does the project produce an obvious product or service?
- Are there customers? (Do you know people who'll want to buy it, and do you know where to find them?)
- Do you have a way to get paid (i.e. exchange your product/ service for money)?

KEY QUOTES

"Old-school marketing is based on persuasion; new marketing is based on invitation."

When you have a "yes" to all 3 questions, you can proceed to the *decision-making matrix*. Score each idea (on a scale of 1-5) against these 4 criteria:

- Overall *impact* on the business and customers
- The amount of time and *effort* required
- The *profitability* relative to other options
- The level of fit with your overall mission and *vision*.

The aim is to identify your next steps, not necessarily choose 1 single option.

Create a "*possibilities list*" to keep track of other ideas that you may want to revisit in the future.

THE STEP-BY-STEP GUIDE TO LAUNCHING YOUR BUSINESS

The $100 Startup Model is about taking action. There are many free resources on the official website, www.100startup.com. In this segment, we'll outline the approach (with the download links), so you can start putting the ideas to practice right away.

The One-Page Business Plan

Many people spend all their time making a plan that doesn't convert to action. It's much better to quickly outline a 1-page business plan (download template here). Focus on taking action and "plan as you go".

Select a marketable idea. You don't need a huge idea; you just need something useful enough that people will pay for. That's why you should start asap - avoid spending too much resources until you've tested that people want what you have to offer. Use the 7 Steps to Instant Market Testing guide (download here).

KEY QUOTES

"Most of the time... having an idea isn't a problem for entrepreneurs...The problem is evaluating which projects are worth pursuing, and then decision between different ideas."

"In the battle between planning and action, action wins."

"A marketable idea doesn't have to be a big, ground-breaking idea; it just has to provide a solution to a problem or be useful enough that other people are willing to pay for it. Don't think innovation; think usefulness."

Marketing before manufacturing. Test that there's sufficient demand for your product/ service, before you spend all your time and effort figuring how to make it. And, keep costs low by investing your own time and effort initially (rather than sinking in your savings or borrowed money). False starts and initial failures are common; this approach minimizes the impact of potential failure.

Get your first sale asap. At the start, your challenge is inertia (not competition). Your first sale provides a huge motivator and morale booster to keep you going.

Regroup after initial success, to see what needs to be done next, e.g. sub-contract less important tasks to free yourself for more vital ones. Figure out if/ how you can duplicate your initial success.

Explain your business with a **short Mission Statement** of 140 characters or less, using this simple formula:

We provide [*product or service*] for [*customers*].
We help [*customers*] to do/achieve/other verb [*primary benefit*].

Consider incorporating a community project or social cause into your business. When you **receive freely and give freely**, you'll find your business to be a lot more fulfilling and rewarding.

Creating a Killer Offer

To craft an offer that people can't refuse, you need the Right Audience, the Right Promise, *and* the Right Time. All your messages should have a good story that's relevant to your audience, with the right amount of urgency. In crafting your messages, remember:

What people want is not necessarily what they say they want. For example, for years, people have said they want extra legroom on airline flights; yet, most are not willing to pay more for it. A great offer is

KEY QUOTES

"The first time you make a sale in a new business, no matter the amount, it's a very big deal."

what people want and are willing to pay for.

Most of us like to buy, but we don't like to be sold to. While persuasive marketing is still useful, it's more effective to create the impression that the customers are receiving an invitation rather than a sales pitch. Focus on emotional benefits, not features.

Here are 3 additional tips to improve your offer:

Frequently Asked Questions (FAQ). A good FAQ page helps to address the main objections that the buyers could have. Provide the primary benefit, secondary benefit, respond to concerns, and encourage them to take action

Satisfaction Guarantee. Offer a satisfaction guarantee and keep it simple, so your customers won't overthink it. You can even offer an "incredible guarantee" like a 110% refund.

Over-deliver. People sometimes get buyers' remorse, so you want to make them feel good by offering acknowledgement and reassurance immediately, and give them quick access to their purchases. To over-deliver, you can upgrade their purchases, send a handwritten thank-you card or something they didn't expect.

Gentle Self-Promotion through Hustling

Hustling is about getting the word out about your project. Besides taking action on your business, you must be willing to promote it. Create a great offer, share it sincerely, then get people to talk about it. For example, you can write to people who share similar values, beliefs or could benefit from your project. Share your big goal or idea, the main benefit of your project, and 1-2 action items that they can do to support you, if they like your idea.

Give freely and receive freely – it works. Guillebeau suggests that you keep saying "yes" to ideas, requests and opportunities until you have a good reason not to, or just

KEY QUOTES

"Compelling offers often create an illusion that a purchase is an invitation, not a pitch."

"The way we place a value on something isn't always rational. You must learn to think about value the way your customers do, not necessarily the way you would like them to."

"Being willing to promote in an authentic, non-sleazy manner is a core attribute of microbusiness success."

"The more you focus your business on providing a valuable service and helping people, the more your business will grow."

give something away. Use the **1-page promo plan** as a guide (download here).

Launching your Product/ Service

Launching your product is like launching a Hollywood blockbuster movie, with months of planning. You can use the **39-step product launch checklist** (download here) to guide you.

The idea is to tell a story, rolling it out in parts, and building up the suspense. Here are the key elements:

Pre-launch

- **Sneak peak**: Start with a teaser that something interesting is coming up, and explain why your prospects or customers should care;
- **Why it matters**: Explain why your project is a game changer, how people will benefit, and why it should matter to them.
- **Share the plan**: Give details of the launch, focusing on what they need to know now (e.g. launch date, early bird bonuses etc.)
- **Almost-there**: Remind people of launch details just before the big day. You want them to decide now that they're in.

Launch

- **It's finally here! (Launch Day)** If you've done the preparation well, this step is typically short, with just a link or instructions to encourage action.
- **Updates**. Keep your prospects and customers updated on the progress; share how other customers are happily enjoying your product.
- **Last chance!** Before the end of your offer, do a final push. Make sure you stick to your promise and don't extend or change terms.
- **Appreciation**. Thank everyone and let them know what's next.

Take a break after your launch to recharge and celebrate, but start thinking how else you can help people and serve them further. Remember: your launch is not just about sales; it's also about building your relationships and influence. Compared to advertising, hustling and relationship-building strategies take time, but they yield greater mileage in the long run.

KEY QUOTES

"Advertising is like sex: Only losers pay for it."

Money matters

There's no business without revenue. Yet, business owners often get distracted with non-revenue-generating activities. Here are 2 simple principles to manage your money:

Keep costs as low as possible. The businesses covered in the book began with an average investment of $610.60. In the initial stages, the best way to avoid excessive financial commitment is to start small. If you really need additional funds, consider going for crowdfunding instead of loans.

Make more money. To improve profitability:

- Price your product / service based on *Benefits, not Costs*.
- Offer a *small range of prices*, so you can (a) increase your income without increasing your customer base; and (b) create a "price anchor" to make the lower prices seem more reasonable.
- *Get paid repeatedly* using memberships or subscriptions.
- *Try raising prices* – it may not don't always result in a drop in conversion. To test this, try raising the price with no changes and see what happens.

LEVERAGE AND NEXT STEPS

Improving Profitability through Small Tweaks

It's generally easier to grow a business than to start one. You can greatly improve business profitability through small changes. Focus your tweaks on increasing:

- **Traffic**, e.g. visits to your website or to your store.
- **Conversion**, i.e. the percentage of prospects who become customers. The best way to do this is through A/B testing (test an offer, headline, or copywriting against another).
- **Average sales price**, through upsells (e.g. offer a

KEY QUOTES

"Spend as little money as possible and make as much money as you can."

"Small is beautiful, and all things considered, small is often better."

"When you base your pricing on the benefits you provide, be prepared to stand your ground, because some people will always complain about the price being too high no matter what it is."

"[Your product] doesn't need to be cheaper – competing on price is usually a losing proposition."

"The not-so-secret to improving income in an existing business is through tweaks: small changes that create a big impact."

premium version or additional item upon purchase), cross-sells (e.g. offer related items upon purchase) and sale-after-use (e.g. make a special offer to customers immediately after a sale).

- **Sales to existing customers**. Build relationships with your customers, and make additional offers that will benefit them.

  Some examples of action-based tweaking include: encourage referrals, hold a contest, or create a hall of fame for your best customers. You can also add a service to a product-based business, or create a product from a service-based business.

Grow at your own pace, to your ideal size

You should only grow your business if you want to. After all, a big business with a huge team and overheads doesn't guarantee long-term success. In fact, Having the stable income from a full- or part-time job can give you the peace of mind to build your business slowly and steadily. If you're in a creative business, depending on it as your only source of income could also bring so much stress that it drains you of your creativity.

Hence, you should consider the role that your business plays in your life, and decide if you prefer a small "freedom business", or to go all in and build a full team. If you decide to grow your business, you can do it horizontally (by serving more related customers or interests) or vertically (by serving the same customers with more levels of need).

Franchising yourself

When you buy a franchise, you put in a large investment, follow someone else's guidelines and business model, and build their brand. A more rewarding option is to clone yourself (your skills, activities and passions). It can also satisfy your itch for new projects as your business grows and stabilizes. **You can self-franchise in at least 3 ways:**

KEY QUOTES

"Although some customers would make more than one purchase, the best way the customers could help was by referring other buyers and fans."

"There' no point pursuing growth for growth's sake; you should scale a business only if you really want to."

"Become as big as you want to be (and no bigger)."

"Buying into someone else's franchise isn't usually a good idea, but figuring out how to leverage our own efforts is almost always worth careful consideration."

The Hub-and-Spoke model creates spin-offs from your core business. Your "hub" is the home base where you drive visitors to (e.g. your main website, blog, community). Spokes are "outposts" where you spend your time e.g. social networking sites, meetings, networking events etc. Every spoke must support the hub.

A **partnership** can be forged through a joint venture by 2 or more people. It has to be built on synergy, such that 1+1=3 and the partners can achieve together what each person can't achieve on his/her own. It's important to lay out (in advance) how the money will be split, each partner's responsibilities, how information will be shared, how the project will be jointly marketed, how long the agreement will last and how often the partners will meet.

Outsourcing. This option allows you to grow the business as a solopreneur, without doing everything yourself. However working with sub-contractors comes with its own challenges - balls may be dropped, and talented assistants often leave after they gain experience. In deciding whether to outsource, consider (a) if your business roles can be clearly defined and communicated, and (b) the type of business you want (e.g. a mobile, low cost business that gives you freedom, versus a business that can outlast you).

Monitoring your business

As your business grows, you'll need to review different aspects, fix problems and identify small actions you can take for long-term results.

- Use this **2-pronged strategy** to monitor the health of your business:

  - Select *1-2 metrics* to monitor on an ongoing basis (e.g. sales, cash flow, leads); and
  - Leave everything else for a *biweekly or monthly review*, when you look deeper into your business.

KEY QUOTES

"Franchising yourself isn't just doing more; it's about taking your skills, activities and passions to a higher level to create better returns."

"Just don't open a sandwich shop with someone else's name on it. A better way is to franchise yourself."

- Do a regular audit of your sources of income, your marketing and messaging, your price-points, your monitoring and testing, and the biggest opportunities you are missing.

- Work on your business, not in it. To avoid fighting fires daily as your business grows, dedicate 45 min of uninterrupted time daily to think about the future of your business, or how you can move ahead, considering your business development, offer development, long-standing challenges, pricing strategies, and customer communication.

The built-to-sell model is fundamentally different from the $100 Startup model:

- The **$100 Startup model** is great for transitioning to a business or new career, based on something you love to do.
- The **build-to-sell model** is about creating an separate entity that you can sell off for a big reward. It typical requires more capital and employees.

The right model will depend on what you want from your business. However, to give yourself more options, it's best to plan for a product/ service that (a) has the potential to scale, (b) is teachable, and (c) valuable.

This book is about starting a business that can support the life you want. While all the entrepreneurs interviewed come with their share of fears and worries, the biggest obstacles they overcame are those of self-doubt and inertia - this book provides the key steps you need to start taking action.

If the ideas of the $100 Startup resonate with you, do check out the various case studies in the book for added inspiration, as well as the useful links and resources on the official website. The book and website also include:

KEY QUOTES

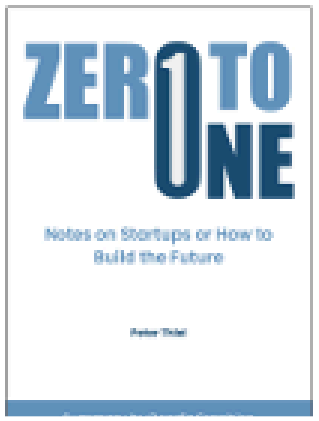
"Do what makes sense for you, not someone else."

"Since it's so much easier to start a microbusiness, why do something different unless or until you know what you're doing?"

"Don't confuse advice for permission. You don't need anyone to give you permission to pursue a dream."

"Sometimes the best advice is none at all. If you know what you need to do, the next step is simply to do it. Stop waiting. Start taking action."

"Creativity and initiative will get you far, regardless of the starting point."



Zero to One

Notes on Startups or
How to Build the Future

PETER THIEL (with Blake Masters)

The Big "So What"

How did companies like Google, Paypal, Amazon and Telsa become so successful, and how can you get there as a startup? In this book, Thiel – a billionaire entrepreneur and investor who co-founded PayPal and Palantir, and invested in hundreds of startups including Facebook and SpaceX - shares his insights about business and entrepreneurships. He shares why much of what we believe in may be flawed, and how we can think about and create truly valuable businesses that shape a better world.

Introduction

Changing the Future - Zero to One

0 to 1
- Doing new things
- Vertical /intensive progress
- Driven by Technology

1 to n
- Copying things that work
- Horizontal/ extensive progress
- Driven by Globalization

Progress can take 2 forms:

Horizontal (extensive) progress, which comes from copying things that work, e.g. when you improve a typewriter and sell it globally. It brings us from **1 to n**.

Vertical (intensive) progress, which comes from doing new things that haven't been done before, e.g. when you move beyond typewriters to invent a word processor. It brings us from **0 to 1**.

KEY QUOTES

"Every moment in business happens only once. The next Bill Gates will not build an operating system. The next Larry Page or Sergey Brin won't make a search engine. And the next Mark Zuckerberg won't create a social network. If you are copying these guys, you aren't learning from them."

"The paradox of teaching entrepreneurship is that such a formula necessarily cannot exist; because every innovation is new and unique."

"This book is about the questions you must ask and answer to succeed in the business of doing new things... an exercise in thinking."

The most successful businesses in the world – such as Apple, Facebook, Google – achieved success not by copying others, but by creating something fundamentally new. They moved from 0 to 1. Globalization is at the heart of horizontal progress, while technology is at the heart of vertical progress. And the good news is, both can coexist.

The most valuable companies became so because they uncovered truths behind widely-held (but incorrect) beliefs, hence fundamentally changing our world. Thiel calls these "secrets". Every multi-billion dollar company was once a startup, a small group of like-minded people who fervently pursued alternative truths to build a different future.

Revisiting the 1990s Dot-Com Mania

In the book, Thiel gives a quick recap of the dismal global settings in the 1990s, the rise of the dot-com mania, and the burst of the dot-com bubble in 2000. Here are 2 important takeaways:

First, although the dot-com mania was short-lived, it was a reflection of growing concerns that the "old economy" wasn't working. The internet held promise of solutions for a globalized world, and indeed, technology and the internet have helped to tackle many challenges of globalization today.

Second, much of what we "know" is shaped by circumstances and reactions to past mistakes, and may not be true at all. Thiel showed how the business "wisdom" in the post dot-com era was actually flawed. We'll now expand on some of Thiel's business insights and ideas in the book.

Zero to One Business Insights

Theil challenges several market and business wisdoms that are widely accepted. This segment provides an overview of the key ideas.

KEY QUOTES

"What makes the future distinctive and important isn't that it hasn't happened yet, but rather that it will be a time when the world looks different from today."

"Positively defined, a startup is the largest group of people you can convince of a plan to build a different future."

"The first step to thinking clearly is to question what we think we know about the past."

"The most contrarian thing of all is not to oppose the crowd but to think for yourself."

"Ask yourself: how much of what you know about business is shaped by mistaken reactions to past mistakes?"

Creative Monopoly, not Competition

Most of us grew up learning that competition is good and essential. Theil suggests the opposite – that competition is destructive while a "creative monopoly" is the way of the future. Thiel defines a creative monopoly as one that has achieves this status because it does such a great job that there're no viable substitutes.

It's as important to create value as it is to retain some of that value. Businesses fighting cut-throat competition are so preoccupied with survival that they can't focus on anything else. For instance, airlines create tremendous value through air travel, but are barely profitable. On the contrary, a creative monopoly like Google has not had viable substitutes - including Yahoo! and Microsoft – since the early 2000s, allowing it to retain some 20% of its revenues. It has resources to care about its stakeholders, invest in long term research and innovation, and make a greater impact on the world.

It's true that monopolies can be bad if nothing changes, and customers are forced to pay high prices with limited or no choices. But our world is a dynamic one, with better monopoly businesses replacing incumbents to offer more consumer choice and societal improvement. In any case, our perception of the level of competition is usually inaccurate. Monopolists lie and exaggerate the level of (non-existent) competition to protect themselves from being attacked, while non-monopolists lie and understate the level of competition by positioning themselves as the leader of their narrowly-defined (sometimes non-existent) niche.

Competition can shift the attention away from value-creation and productivity to beating our rivals or even scoring personal victories.

- Obviously, in business, we'll sometimes have to go all out and fight to win. But in many cases, competition is unnecessary. For example,

KEY QUOTES

"War is costly business. Rivalry causes us to overemphasize old opportunities and slavishly copy what has worked in the past."

"In business, money is either an important thing or it is everything…Only one thing can allow a business to transcend the daily brute struggle for survival: monopoly profits."

"All happy companies are different: each one earns a monopoly by solving a unique problem. All failed companies are the same: they failed to escape competition."

"If the tendency of monopoly businesses were to hold back progress, they would be dangerous… But the history of progress is a history of better monopoly businesses replacing incumbents."

"It's competition, not business, that is like war: allegedly necessary, supposedly valiant, but ultimately destructive."

Microsoft and Google are both great companies with different creations, and no obvious reason to fight. Yet, they were locked in fierce competition for years. Apple overtook them in January 2013 with a market capitalization of $500b (vs their combined capitalization of $467b), when just 3 years before, each company was individually more valuable than Apple. The same pattern is seen from credit card readers to online pet stores.

- By contrast, PayPal was also locked in fierce competition with X.com in the late 1990s. However, realizing the risk from the rapidly inflating tech bubble, the 2 companies decided on a 50-50 merger in 2000, which allowed them to ride out the dot-com crash that came soon after.

So why do we compete? Because the ideology of competition is so entrenched in our society that we end up being trapped in it. It starts with our education system, which is built on grades and ranking students against one another. When we enter the workplace or business world, we are constantly trying to beat our competition and compete with our peers for career advancement.

In short, Thiel believes that competition destructs rather than creates value, and advocates the concept of monopoly capitalism.

The Power Law Of Venture Capital

Venture capitalists (VCs) try to find, fund, and profit from promising early-stage companies. They make money when the companies in their portfolio go public or get bought by larger companies. Most venture funds last for 10-years, as that's usually how long successful companies take to grow and "exit."

KEY QUOTES

"We preach competition, internalize its necessity, and enact its commandments; and as a result, we trap ourselves within it—even though the more we compete, the less we gain."

"There is no middle ground: either don't throw any punches, or strike hard and end it quickly."

"Winning is better than losing, but everybody loses when the war isn't one worth fighting."

"Amid all the human drama, people lose sight of what matters and focus on their rivals instead."

"The biggest secret in venture capital is that the best investment in a successful fund equals or outperforms the entire rest of the fund combined."

"VCs must find the handful of companies that will successfully go from 0 to 1 and then back them with every resource."

Unfortunately, the reality is that most start-ups fail (usually soon after they start), and a few companies will drastically outperform all others. The one best investment in a successful fund will outdo the rest of the companies combined. A good VC should only invest in companies that can potentially return the value of the entire fund. Obviously, this is hard to predict, so a VC will still need a "portfolio". But, every single company in a good portfolio must have the potential to go from 0 to 1 and succeed at large scale.

This power law doesn't only apply to VCs. All of us are investors - entrepreneurs invest time and money in their startups, and employees invest time in their career. The question to ask is: will what you are doing be valuable decades from now?

Uncovering "Secrets"

The most valuable companies find and build their business upon "secrets", i.e. what the world believes in that isn't true. For example, Airbnb and Uber saw untapped supply and unmet demand in lodging and transportation, and created businesses to address them.

- **It starts with belief.** Most people act as if all the world's biggest problems have already been solved, there're no more opportunities left to find, hence they don't even try. But, so long as there are injustice and inefficiencies in this world, there are secrets to be found. Start by asking: "What valuable company is nobody building?" This will lead you to address hard but potentially world-changing questions.

- **Finding secrets.** There are two kinds of secrets:
  1. Secrets of nature: These are undiscovered aspects of the physical or natural world.
  2. Secrets about people. These are things that people hide, or don't know about themselves.

  The best place to look for secrets is where no one else is looking. Ask if are there any areas that matter, but haven't been standardized or institutionalized, e.g. Physics is

KEY QUOTES

"Once you think that you're playing the lottery, you've already psychologically prepared yourself to lose."

"You can't find secrets without looking for them."

"If you think something hard is impossible, you'll never even start trying to achieve it. Belief in secrets is an effective truth."

taught systematically in schools, whereas nutrition (which affects everyone) is not.

- **What to do with Secrets.** Generally, your secret or viewpoint is likely to be opposite of what the masses believe. When you share your secret, you are actually enlisting fellow conspirators, so do it discreetly.

Last Mover Advantages

Your business value is the sum of all the money it'll make in the future, discounted to the present worth. Being the first mover in a market can give you a headstart, but what matters is long-term cashflows, and it's useless being the first-mover if you get dethroned later.

It's better to be the last mover – study the end-game, dominate a small niche and scale up to eventually develop and enjoy years of monopoly profits.

However, for a company to become valuable, it must be durable. Many entrepreneurs are so focused on short-term growth that they fail to consider if their business will still be around 10 years from now.

Let's look at some of the questions and foundations to help you think about building a sustainable, monopoly business.

Building a Monopoly

Characteristics of Monopolies

Most successful monopolies share some of these characteristics:

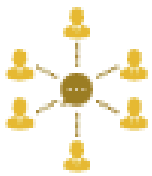
Proprietary Technology (e.g. Google's search algorithms) can be a massive advantage because it makes your product hard or impossible to replicate. To have a real monopolistic advantage, your technology must be at least 10 times better than any substitute in some key aspect(s). To achieve that, you can either create something

KEY QUOTES

"A great company is a conspiracy to change the world; when you share your secret, the recipient becomes a fellow conspirator."

"As a rule of thumb, proprietary technology must be at least 10 times better than its closest substitute in some important dimension to lead to a real monopolistic advantage."

completely new, or fundamentally transform an existing solution. For example, PayPal enabled buyers to pay on eBay straight after an auction (instead of mailing a check which took 7-10 days) and Amazon offered as least 10x as many books as any other bookstore.

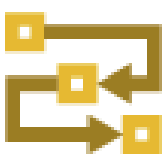


Network Effects make a product more useful as more people use it, e.g. the more of your friends are on Facebook, the more you'd want to use it. Yet, such businesses must still be valuable to their initially users and small markets.

Economies of Scale spread out business fixed costs (e.g. R&D, management, office space) over more users/ sales, such that the marginal cost of producing an extra unit is negligible. When designing your startup, build in the potential to scale up.

Branding is key to any monopoly, but it must be backed by substance. One of the strongest tech brands is Apple – its sleek minimalist design, consumer experience, advertising campaigns, and price positioning are backed by a suite of proprietary technologies, economies of scale and strong network of developers and users.

The Process of Building a Monopoly



As a small start-up, how can you put together the 4 elements above (brand, scale, network effects, and technology) to form your eventual monopoly?

1. Start Small and Monopolize

Every startup is small initially, yet a monopoly must dominate a large share of its market. Hence, don't try to go for 1% of a $100 billion market. As a startup, your ideal target market is a small, specific group of people concentrated together and served by few or no competitors.

However, make sure the market actually exists. PayPal's first product allowed PalmPilot

KEY QUOTES

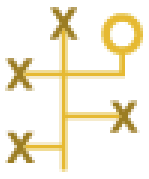
"It's easier to dominate a small market than a large one. If you think your initial market might be too big, it almost certainly is."

"It was much easier to reach a few thousand people who really needed our product than to try to compete for the attention of millions of scattered individuals."

users to beam money to each other; but the millions of PalmPilot users were scattered geographically, had little in common and didn't need to beam money to one another, so PayPal had effectively no customers. When they switched their focus to eBay auctions (with only a few thousand high-volume "PowerSellers"), they quickly secured 25% of the market within 3 months.

2. **Scale Up Progressively.**

Once you've create and dominated a niche, you can expand into related and slightly broader markets gradually and sequentially. Amazon wanted to dominate online retail, but started only with books (which had similar sizes and characteristics despite millions of titles). Then, it expanded into CDs, videos, and software, and gradually added categories until it became the world's general store. eBay launched its auction marketplace with intense interest groups (e.g. Beanie Baby obsessives), then expanded to other small-time hobbyists until it became a full-fledged marketplace for people trading anything online.



3. **Don't Disrupt.**

"Disruption" means using new technology to introduce a low-end product at low prices, then improving the product over time to eventually overtake the incumbents, e.g. PCs disrupting mainframe computers, then mobile devices disrupting PCs. However, disruption is not about taking the big boys head on – startups that try to do so end up in fights that they can't win. Instead, focus on creating something really new, then expand it gradually to adjacent markets, avoiding competition as much as possible.

Building Strong Foundations

Some foundations cannot be undone, so you must start the company on the right foot:

KEY QUOTES

"Don't disrupt: avoid competition as much as possible."

"Choosing a co-founder is like getting married, and founder conflict is just as ugly as divorce."

Synergy. The right people makes all the difference:

The Right Partner(s): Choosing the right partner for your business is like choosing the right person to marry. Besides technical abilities and complementary skills, the founders should know each other well and have worked well together.

Ownership, Possession, and Control. To minimize misalignment, distinguish between Ownership (who owns the company), Possession (who runs the company), and Control (who officially governs the company). For most startups, the founders usually have both ownership and possession, but conflicts can arise with the board members (who are supposed to exercise control). Thiel recommends that you select every board member carefully, and keep the board small (ideally 3 and maximum 5 members, unless you are a public company). This facilitates communication, agreement and effective control.

Beyond professionalism. To build a long-term business, the people in your company must be not just talented, but actually enjoy working together. Transactional relationships (however good the resumes) won't work.

Long Term Value & Alignment

On the bus or off the bus. Thiel advocates that everyone in your company should either own stock options or be engaged full-time (with the exception of positions like lawyers and accountants). Consultants and part-timers have no vested interest to create long-term value for your company.

KEY QUOTES

"Founders should share a prehistory before they start a company together - otherwise they're just rolling dice."

"In the boardroom, less is more. If you want an effective board, keep it small."

"Since time is your most valuable asset, it's odd to spend it working with people who don't envision any long-term future together."

If you're deciding whether to bring someone on board, the decision is binary...you're either on the bus or off the bus.

Cash vs vested interest. To get commitment, you must compensate people properly. But, cash compensation fosters short-term thinking - employees take value from the company instead of create long-term value. Instead of a high cash salary, consider giving outcome-based cash bonuses, offer equity (based on people's talents, responsibilities and opportunity costs) and limit the CEO's annual salary to $150,000 (so he'll focus on increasing the company's value and set a good example).

Build a Tribe. Startups have tight resources and small teams. To get the most from them:

Build a cult; Do 1 thing. Hire people who share your obsession – it's much better to have a team that shares a common world view and is fiercely-devoted to your mission, than a group of lukewarm professionals. Ask, "why should the 20th employee join your company?", to address why people should join you and who they will work with. To provide clear responsibility and reduce conflict, match talents with tasks such that every person in your company is just responsible for just one thing.

Extend the founding. You can't reverse that moment when your company is founded and rules are set from scratch. However, you can build a culture of openness and ongoing invention, so you can re-create the company over and over again.

- **Sales & Distribution.** No matter how good your product, you need to sell it. The best sales are those that are "hidden", i.e. you don't realize you've been sold to.

KEY QUOTES

"Any kind of cash is more about the present than the future."

"People at a successful startup are fanatically right about something those outside it have missed."

"Job assignments aren't just about the relationships between workers and tasks; they're also about relationships between employees."

"(The founding moment) lasts as long as a company is creating new things, and it ends when creation stops."

"Customers will not come just because you build it. You have to make that happen, and it's harder than it looks."

1. Apply 2 rules of thumb for effective distribution:

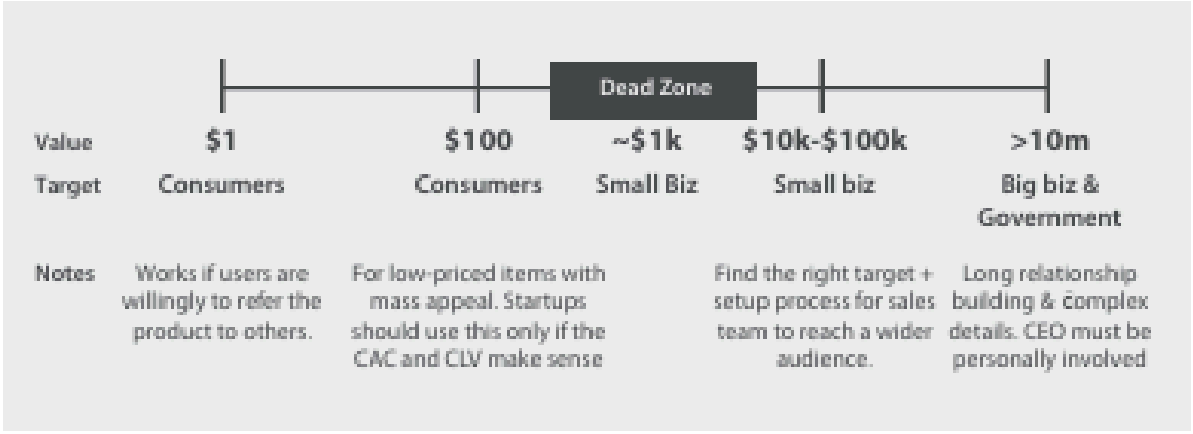
- Rule #1:

Customer Lifetime Value (CLV)
(the total net profit (average) from a customer over time)

(must be higher than)

Customer Acquisition Cost (CAC)
(how much you spend (average) to acquire a new customer)

- Rule #2: The higher the price of your product, the more you have to spend to make a sale. Thiel recommends sales and marketing approaches for different product categories, summarized here:



Of these methods above, one of the methods will likely be the most effective for your business. It's better to establish 1 sales channel that works rather than spread your resources over many that don't.

2. Sell to non-consumers: Besides selling to customers, you must also sell your company to employees, investors and the media. Media exposure creates publicity for your products and helps you to attract investors and employees.

Putting it Together

Since the start of the 21st century, clean technology has become the "next big thing", yet billions of dollars have been lost in this industry. Using 7 questions to integrate the points above, Thiel shares why Tesla succeeded where most cleantech companies failed. To secure massive success, you need to address most, if not all, of these 7 questions:

KEY QUOTES

"If you've invented something new but you haven't invented an effective way to sell it, you have a bad business—no matter how good the product."

"Superior sales and distribution by itself can create a monopoly, even with no product differentiation. The converse is not true."

"If you can get just one distribution channel to work, you have a great business. If you try for several but don't nail one, you're finished."

"Everybody sells...Look around. If you don't see any salespeople, you're the salesperson."

1. Engineering	Can you create breakthrough technology instead of incremental improvements?
2. Timing	Is now the right time to start your particular business?
3. Monopoly	Are you starting with a big share of a small market?
4. People	Do you have the right team?
5. Distribution	Do you have a way to not just create but deliver your product?
6. Durability	Will your market position be defensible 10 and 20 years into the future?
7. Secret	Have you identified a unique opportunity that others don't see?

Man and Machine

With computing capabilities growing exponentially, many people are predicting (and fearing) that computers will replace humans in the coming decades. Thiel argues that computers are complements, not substitutes to humans, and the most valuable businesses will be those who empower people in a computer age.

- Unlike people, who compete to supply their labour/ talent, and also demand for the same resources like food, shelter, and better lifestyle, computers compete for nothing.

- People have "intentionality". We make plans and can exercise judgement. Computers are great at data processing, but they can't exercise basic judgement, much less those in complex situations.

Hence, we shouldn't compete with computers because they are different from humans - they are merely tools. The key to the future is to create businesses where the human-computer combination could achieve much more than either could alone.

KEY QUOTES

"The most valuable businesses of coming decades will be built by entrepreneurs who seek to empower people rather than try to make them obsolete."

"Humans and computers are not just more or less powerful than each other—they're categorically different."

"Big data is usually dumb data. Computers can find patterns that elude humans, but they don't know how to compare patterns from different sources or how to interpret complex behaviors. Actionable insights can only come from a human analyst."

"As we find new ways to use computers, they won't just get better at the kinds of things people already do; they'll help us to do what was previously unimaginable."

For example, PayPal was initially losing millions each month due to credit card fraud. Humans couldn't cope with the volume of transactions, and automated computer-checks were outsmarted by the fraudsters. PayPal solved the problem with a hybrid approach - the computers flag out suspicious transactions, and human analysts apply their judgement for decision-making. Likewise, LinkedIn didn't try to replace recruiters with technology. Instead, they help professionals to build their personal brands, and empower recruiters to search and filter job candidates using technology.

Business founders play a crucial role for the success of their startups, not because of their personal brilliance and produce valuable work, but because they can bring out the best from everyone in their company.

Other Useful Details in the Book to Look Out For

This book originated from a start-up course that Thiel was teaching at Stanford. One of the students, Blake Masters, took detailed class notes, which were reworked with Theil to form this book.

The book is written in short, easy-to-read chapters, and packed with many useful examples, anecdotes and stories of companies like Paypal Google, Tesla, Siemens etc. to help us see interesting perspectives and alternative truths from Thiel's eyes. It also includes a detailed recap of the dot-com rage in the 1990s and the more recent cleantech bubble.

Although the book focuses almost exclusively on technology companies and using technology to move from zero to one, the ideas can be extremely useful to help any startup or user of technology to think about how things work, and how we can build a better world.

KEY QUOTES

"Founders are important not because they are the only ones whose work has value, but rather because a great founder can bring out the best work from everybody at his company."

The E-Myth Revisited

Why Most Small businesses Don't Work and What to Do About It

MICHAEL E. GERBER

The Big "So What"

In the United States, 80% of businesses fail within the first 5 years, and 80% of the survivors fail in the next 5 years. This book explains why small businesses fail, how to overcome common mistakes in business, so you can build a successful business that not only works, but is also deeply rewarding for you and your stakeholders.

Introduction

This book was released 15 years after the original E-Myth book was published. It captured the new insights and experiences that Gerber had accumulated while working with businesses to apply the E-Myth concepts, and also addressed common questions about these ideas.

Gerber found that the most outstanding businesspeople had lofty goals, yet were constantly learning, pragmatic, detail-oriented and down-to-earth. The key idea of the book is this – your business is really an extension of who you are, and transforming your business starts with transforming yourself. This summary presents the key ideas of the book in 3 key segments to introduce the E-Myth, the Turn-Key Revolution, and how to build a successful small business.

1. The Entrepreneurial Myth (E-Myth)

It's a myth that small businesses are started by true-blue entrepreneurs. The truth is, most business are started by people who were initially working for others (e.g. carpenters, designers). They are good at what they do, decide to go

KEY QUOTES

"This book... is about producing results - not simply 'how to do it'."

"The greatest business people I've met are determined to get it right no matter what the cost. And by getting it right...I mean that there is something uplifting, some vision, some higher end in sight that 'getting it right' would serve."

"Your business is nothing more than a distinct reflection of who you are...So if your business is to change...you must change first."

"People who are exceptionally good in business aren't so because of what they know but because of their insatiable need to know more."

"That Fatal Assumption is: if you understand the technical work of a business, you understand a business that does that technical work."

into business, and make the fatal assumption that their strong technical skills are enough for them to run a technical business.

They soon realize that running a business involves not just the technical skill that they excel in (and even love to do), but a host of things that they can't do or hate to do. They move from excitement to fear to fatigue and finally despair.

The Entrepreneur, The Manager, and The Technician

We all have multi-faceted personalities, with often-conflicting traits. A business owner is not just an entrepreneur, a manager or a technician. He is all 3 personalities rolled into one at the same time. Hence, he has to deal with their differing tendencies, needs and wants.

The Entrepreneur. This is the visionary and creative side of us. The Entrepreneur looks to the future, dreams of possibilities, focuses on opportunities and prods for innovations. He needs to shape the future, and constantly seeks change. The faster he moves, the more chaos he creates for those around him, and he feels frustrated with having to drag people along with him.

The Manager. This is the pragmatic, conservative part of us that seeks order and security, lives in the past and loves status quo. He cleans up the mess that The Entrepreneur creates and sees people as components of a system to be managed.

The Technician. This is the part of us that gets things done. He lives in the present, steadily working on one task at a time. He believes that lofty visions are useless without someone who can deliver it, and sees work as a part of who we are as unique individuals.

KEY QUOTES

"The problem is that everybody who goes into business is actually three-people-in-one: The Entrepreneur, The Manager, and The Technician...while each of these personalities wants to be the boss, none of them wants to have a boss."

"The Entrepreneur is the innovator, the grand strategist, the creator of new methods for penetrating or creating new markets, the world-bending giant."

"It is the tension between. The Entrepreneur's vision and The Manager's pragmatism that creates the synthesis from which all great works are born."

The truth is, we need all 3 personalities to succeed in business, and we also inherently have all 3 personalities in us. However, the 3 roles are usually not in balance or in the wrong proportion. The typical business owner is 70% Technician, 20% Manager and 10% Entrepreneur – this creates problems as the business grows and evolves.

Business Evolution and Growth

Businesses must grow and evolve, which means the business owner must be willing to change to meet the business needs.

Phase 1: Infancy. At this phase, the owner is typically the technician, doing the bulk (if not all) of the work. The business and the owner are one and the same, and the business would collapse without the owner. However, as the business grows, the owner finds himself being stretched to the max, standards drop, he no longer enjoys his work the same way, and the business moves into crisis. The owner realizes that he still has a job, only worse because the fanatic boss is himself. At this juncture, most Technicians walk away from the business; some move on to the next phase.

KEY QUOTES

"The Entrepreneur dreams, The Manager frets, and The Technician ruminates."

"Businesses, like people, are supposed to grow; and with growth, comes change... Most business are operated according to what the owner wants as opposed to what the business needs."

"The moment you choose to start a small business... you unwittingly chose to play a significantly larger game than any game you had ever played before."

"If you want to work in a business, get a job in someone else's business! But don't go to work in your own."

Phase 2: Adolescence. Every business that grows inevitably reaches this phase – when the owner decides to get help and hires his first staff. The owner typically starts by hiring people to do the work that he doesn't know how to do, or hates to do, and *hopes* that things will work out. The problem is, such management is by abdication rather than delegation. Without sound management, direction and guidance, the technicians that are hired to do the work can't perform consistently. As the business grows, balls start to drop, but this time at a much bigger scale.

At this point, the owner may scale back the business and does everything himself again, or he could keep growing the business until things collapse or he implodes. Whichever the case, the business doesn't survive.

In short, regardless of your predominant personality, your business will inevitably outgrow you – it will outgrow the amount of work the *Technician* can do himself, the number of technicians the *Manager* can personally supervise, and the number of managers the *Entrepreneur* can personally engage. Unless the owner gets out of his comfort zone and approaches things differently, the business is doomed to fail.

Phase 3: Maturity. Companies that reach maturity (e.g. Federal Express, IBM, Disney) have a clear vision of how the company will be like when it is "done", and they start behaving like that great company from the onset. The key is to start your business with the expectation that it will grow, and to have a plan (however rough or sketchy initially) for it to grow and work *without* you. This is the *Entrepreneurial Perspective*, which takes a top-down approach rather than a technical bottom-up approach.

Now, we'll take a look at a business model that will allow us to balance all 3 personalities, so the Entrepreneur can drive the business, the Manager can ensure it's sustainable, and the Technician can stay in touch with the nuts and bolts of the work being done.

KEY QUOTES

"Every Adolescent business reaches a point where it pushes beyond its owner's Comfort Zone – the boundary within which he feels secure in his ability to control his environment, and outside of which he begins to lose control."

"Luck and speed and brilliant technology have never been enough, because somebody is always luckier, faster, and technologically brighter."

"A Mature company is started differently than all the rest. A Mature company is founded on a broader perspective, an entrepreneurial perspective, a more intelligent point of view. About building a business that works not because of you but without you."

"I realized that for IBM to become a great company it would have to act like a great company long before it ever became one." - Tom Watson, IBM founder

2. The Turn-Key Revolution

Similar to how the industry revolution, technological revolution and information revolution have transformed our lives, the Turn-Key Revolution can change how we view and run businesses, and hence transform our world.

At the heart of the concept is the "Business Format Franchise", where the franchisee is not only given the right to market a known product, but also an *entire system* for doing business. Unlike the high failure rates of conventional business, Business Format Franchises have a 95% success rate.

The end-goal is to create a business that works without the owner, and predictably delivers its promise to customers. For that to happen, all components of the business must be broken down in a way that can be created, assembled and replicated at low cost.

Business Evolution and Growth

This model starts with the "Franchise Prototype", where ideas are incubated, tested and perfected until they work predictably, before they are deployed in business.

Using the example of McDonalds, Gerber explains how every detail (from how long french fries are left in the warming bin to how pickles are placed) is tested and standardized, with the goal of leaving nothing to chance and operational discretion. Franchisees are required to complete a thorough training program before they are allowed to run the business.

This Business Format Franchise balances the contributions and needs of the Entrepreneur (who uses the Franchise Prototype to further his vision), the Manager (who enjoys the system's structure and predictability), and the Technician (who's free to do the work).

KEY QUOTES

"At the heart of the Turn-Key Revolution is a way of doing business that has the power to dramatically transform any small business – indeed, any business, no matter what its size – from a condition of chaos and disease to a condition of order, excitement and continued growth."

"The Business Format Franchise is built on the belief that the true product of a business is not what it sells but how it sells it. The true product of a business is the business itself."

"The Prototype acts as a buffer between hypothesis and action."

"(The Business Format Franchise) is a proprietary way of doing business that successfully and preferentially differentiates every extraordinary business from every one of its competitors. In this light, every great business in the world is a franchise."

Working on your business, not in it

Here is a key message from Gerber – Your business is not your life, and it is imperative that you work *on* the business and not *in* it. You should build your business such that you *can* duplicate it; Regardless of whether you actually sell or franchise it in the future, this is the best way to ensure your business is successful and is not dependent on you.

In order for your business to be successfully cloned into thousands more like it, it must fulfil 6 criteria or rules:

Provide consistent value to your stakeholders, beyond expectations. Value can come from many things, be it a kind word, an unexpected gift, or reasonable pricing. The key thing is that your stakeholders (i.e. your customers, employees, suppliers etc.) *perceive* it to be valuable.

Be operable by people with the lowest possible level of skill. Your model must be achievable with the lowest skill level for that function, i.e. you need to establish systems that help ordinary people to deliver extraordinary results. Obviously, suggestions and improvements should be encouraged; however, the business must first equip people with the tools and know-how to deliver the intended results. By building a business that can be operated by ordinary people:

- You will not be held hostage by experts or scarce talents, who are expensive and hard to motivate; and
- You will force yourself to innovate through systems and solutions

Demonstrate precision and order. In today's ever-changing and chaotic world, a place with order and structure will stand out, be appreciated by your customers and employees, and build trust.

KEY QUOTES

"Your business is not your life... Recognize that the purpose of your life is not to serve your business, but that the primary purpose of your business is to serve your life."

"Value is what people perceive it to be, and nothing more."

"Value is essential to your business and to the satisfaction you get from it as it grows."

"Great businesses are not built by extraordinary people but by ordinary people doing extraordinary things."

"When you intentionally build your business around the skills of ordinary people, you will be forced to ask the difficult questions about how to produce a result without the extraordinary ones"

Capture all the work to be done in operations manuals. Proper documentation provides clarity and structure for your people to perform their work productively. Your manuals should set out the purpose, steps and standards (measuring both processes and results) associated with the work.

Provide a consistent and predictable service to the customer. Each time a customer uses your product or service, an expectation is set, and he/she returns expecting to enjoy a similar experience. Consistency is critical to customer satisfaction.

Use consistent codes (e.g. colour, dress, facilities). Colours and shapes affect consumers' decision-making and buying behaviours. Choose the right colours, logos etc. and apply them consistently across your business.

No one starts a business with all the answers. The key is to know what you don't know, so you can address them. Learn to separate the business from yourself – look at your entire business as the product, and keep asking yourself how you can achieve the following:

- Get your business to work without you
- Get your people to work without your constant interference
- Systematize your business, so it can be replicated consistently 5,000 times
- Own your business and still be free from it
- Spend your time on work you love to do, not work you must do

3. Building a Small Business that Works

The Business Development Process

Your Prototype will constant evolve as part of your business development process. It comprises 3 inter-related components:

KEY QUOTES

"What you do in your model is not nearly as important as doing what you do the same way, each and every time."

"Creativity thinks up new things. Innovation does new things."
- Professor Levitt

Innovation. Innovation is different from creativity – it's about getting things done (not just thinking about it). When you wear the franchisor's hat, you focus beyond the products you sell, to how your entire business operates. Innovation is about finding the best way to engage your customers and meet their needs, from how you greet them when they enter your store, to what you wear. It's about meeting their perceived needs and sub-conscious expectations.

Quantification. To know if an innovation is effective, you must quantify it. Gerber recommends that you start by quantifying *everything* in your business, from how many customers you see daily (and when you see them), to how many items are sold at each time of the day. Progressively, you'll learn which are the more important numbers to focus on, and how to "read"' them.

Orchestration. With innovations and quantification, you'll start discovering what works. The next step is to orchestrate it such that the best existing practices are duplicated predictably, every time. The combination of all your best practices, delivered predictably, becomes your unique business system that makes you stand out from others.

The innovate-quantify-orchestrate process is a never-ending part of business development, which helps you to grow and evolve as an extra-ordinary business. This can and should be more than just a routine habit – the process of continuous improvement and mastery involves a deep connection with the work being done, and purpose with which it serves, bringing a deeper level of fulfilment.

Your business development program

Your business should support your life goals, not be your life goals. Hence, the main task is to structure your business as if it was the prototype for 5,000 more like it, so you can

KEY QUOTES

"Where the business is the product, how the business interacts with the customer is more important than what it sells."

"Innovation...is the mechanism through which your business identifies itself in the mind of your customer and establishes its individuality."

"Without the number you can't possibly know where you are, let alone where you're going."

"Orchestration is the elimination of discretion, or choice, at the operating level of your business."

"The work itself becomes something other than a habit; it becomes an exploration into who we are and how we express ourselves in relationship to something much larger."

"Your Primary Aim is the vision necessary to bring your business to life and your life to your business."

work on your business and not in it. This involves a 7-step process, starting with you as the owner:

1 - Your Primary Aim. When you have been laid to rest, what should the story of your life sound like? This is your primary aim, and it will be your source of energy, purpose and direction. When you have clarity on how you want your life to look like, how you wish to live on a day-to-day basis, and who you want to be, then you can decide how to structure your business to support this Primary Aim.

2 - Your Strategic Objective. This statement lays out exactly how your business will help you to achieve your Primary Aim, and what your business will look like when it's "done". It should be presented in simple and clearly stated standards including:

- Money (gross revenues, gross profits, after-tax profits etc.), taking into account how much you need in order to be free from your work/ business. An opportunity is only worth pursuing if it can fulfil the financial standards for your primary aim and strategic objective. This in turn requires that your business solves a problem faced by a large enough number of consumers. To assess your business potential, consider:

  - *What business you are in?* Your business is not about your product, but what you make your customer feel. People buy the feelings they get from your business, not your commodity.

  - *Who is your customer?* Demographics (age, sex, income, education etc.) tell you who your customers are, while Psychographics tells you why they buy. To know if your business is worth pursuing, you need to know the size of your targeted demographic and how well you can satisfy their emotional or perceived needs.

- Other Indicators. Consider these 4 questions:

KEY QUOTES

"Great people have a vision of their lives that they practice emulating each and every day... Great people create their lives actively, while everyone else is created by their lives."

"Your Strategic Objective is a very clear statement of what your business has to ultimately do for you to achieve your Primary Aim."

"Your business is a means rather than an end, a vehicle to enrich your life rather than one that drains the life you have."

"You invented a turn-key solution to your specific kind of business's problems. A little money machine. An absolutely predictable little business that does what it promises to do every single time."

"The product is what your customer feels as he walks out of your business... The truth is, nobody's interested in the commodity. People buy feelings."

- When will your prototype be ready?
- Where will you be in business?
- How will you be in business (retail/ wholesale)?
- What standards will you insist on reporting?

3 - Your Organizational Strategy. Most small businesses organize their companies around personalities rather than functions and expertise. To set up your business correctly, you must separate yourself from the roles you play in the business. That's the only way to ensure the roles are independent of you. It also forces you to crystalize and demonstrate the rules of the game, so your employees can learn how to deliver the business the way you want them to.

- Map out your full organizational structure, and create a "Position Contract" for each position that summarizes the rules of the game or accountability for that role. For each position that you take up, sign the contract as you were you the employee.

- Now that you know what needs to be done, you can decide the best way to allocate the responsibilities amongst existing human resources (e.g. existing shareholders or co-owners).

- As you do the work, you concurrently work in the position and on the position. As the Technician, you document the technical work as you do it. As the Manager, you identify strategic aspects of the work to be addressed in the Franchise Prototype. As the Entrepreneur, you test different ways of operating each role, quantifying the impact of new innovations and documenting best practices in an operating manual.

- When you start hiring staff to handle these positions, you can now explain the aims, organization structure and train them using the operations manual (refining it along the way)

KEY QUOTES

"Unless I act as I expect my employees to act, unless I work in my business exactly as I wish them to, I will never be able to create a system for doing it exactly the way I expect them to do it."

4 - Your Management Strategy. The key to success is not to find amazing talents with sophisticated techniques – they will be too scarce and costly for your business, and may not be willing to do things your way. Instead, build a management system that develops your people predictably. Every element in your business needs to be captured in an operations manual, and orchestrated such that the same experience can be replicated by *anyone*.

This is a *marketing* tool, and not a management tool – by producing predictable results, your customers know what to expect, and trust you to deliver the same experience when they return.

5 - Your People Strategy. Even with the perfect operations manual, how do you get people to do what you want? The crux is to create an environment where "doing it" is a way of life, i.e. the idea or spirit behind the work is more important than the work itself.

- You must first define the core of your business, then figure out how to communicate it. For example, if your core is "caring", then you need to translate what it means to show care for your employees, to show care in your customer greeting or your service delivery.
- The implementation process starts at with your recruitment – you must communicate your Primary Aim, Strategic Objective and Organizational Strategy upfront, to ensure you're recruiting people who buy in to the idea and want to play your game.

6 - Your Marketing Strategy. This is where you put aside your own vision and objectives, and focus solely on what the customer wants. Your customers take in all kinds of cues about your business (from what they see, hear, and feel) and process them unconsciously before making an often irrational, emotional decision.

KEY QUOTES

"(A Management System) is a System designed into your Prototype to produce a marketing result."

"The system knows what I like and makes certain that I get it, in exactly the same way, at exactly the same time…Somebody had heard me. And they heard me every single time."

"The work we do is a reflection of who we are…How we do our work becomes a mirror of how we are inside."

"The degree to which people 'do what you want' is the degree to which they buy into your game. And the degree to which they buy into your game (depends) on how well you communicate the game to them – at the outset of your relationship, not after it's begun."

"(A business) can create a Game Worth Playing. It can become that place of community. It can become that place where words such as integrity, intention,

The best way to sell to your customer is to understand his perceived needs (which determine his decisions, rather than his "real" needs). By knowing his demographics (who he is in terms of age, profession etc.), you can identify his psychographics (why he buys), and then construct and scientifically test a Prototype that meets these needs.

7 - Your Systems Strategy. Systems, in the context of this book, refer to a cluster of "things, actions, ideas and information" that interact with one another, and in the process, change other systems. In business, we have 3 types of systems:

- *Hard systems* (e.g. computers, furniture, colours), which reflect visually how well your business is integrated;
- *Soft systems* (e.g. people, ideas, scripts), that reflects how well you communicate the soul of your business; and
- *Information systems* (e.g. sales reports, inventory control), that reflect your ability to extract information about your business

How well you integrate the 3 systems will determine how successful your Prototype is, in communicating and delivering the promise that your customer wants to hear.

Other Details in the Book to Look out For

Gerber brings his ideas to life in different ways throughout the book:

- He shares the learning points through the eyes of Sarah, a lady who loved baking pies, but found herself drained and burned out after starting a pie

KEY QUOTES

commitment, vision and excellence can be used as action steps in the process of producing a worthwhile result."

"When it comes to marketing, what you want is unimportant. It's what your customer wants that matters. And what your customer wants is probably significantly different from what you think he wants."

"The challenge of our age is to learn our customer's language. And then to speak that language clearly and well so that your voice can be heard above the din."

"(All your business functions) share one common purpose–to make a promise their customer wants to hear, and to deliver on that promise better than anyone else on the block...The COO is the driver of all this. The COO connects each part of the business process."

business. We follow Sarah's thought process and internal struggles, eventually sharing her "aha" moments and seeing how she applies the concepts to create her personal and business breakthroughs;

- He provides detailed examples and case studies of how companies like McDonalds and Venetia (a boutique hotel) successfully developed their Prototype.

- As he outlines the 7-step business development program, he also provides additional tools e.g. questions to think about your primary aim, sample "people game" rules, and examples of hard, soft and information systems at work at E-Myth Worldwide. The E-Myth Mastery Program covers these 7 steps in detail.

This is a must-read book for anyone who owns a small business, or plans to start one. For more details, please visit emyth.com.

About the Author

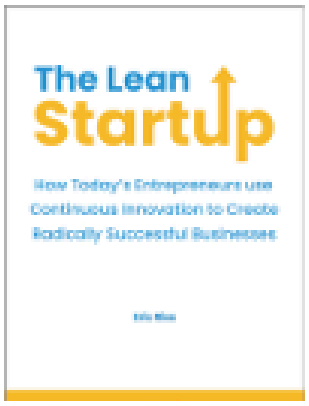
Michael E. Gerber (born 1936) is an American author and founder of Michael E. Gerber Companies, a business skills training company based in California. He was named "the World's #1 Small Business Guru" by Inc. Magazine, for impacting hundreds of thousands of companies worldwide for over 40 years.

Besides "The E-Myth Revisited", Gerber has authored 13 other business coaching books. Today, he is on a new mission to bring economic development strengths and capabilities to millions of people worldwide, by awakening the new entrepreneur within them. This is done through his entrepreneurial incubator called The Dreaming Room®, with more details at michaelegerbercompanies.com

KEY QUOTES

"This book is not simply a prescription for success; it's a call to arms...It's a call to learning."

"If the world is going to be changed, we must first change our lives...Your small business can become that bridge...that can draw together the world 'out there' and the world 'in here' in such a way as to make both more human.... more productive. In such a way that makes both worlds work."



The Lean Startup

How Today's Entrepreneurs use Continuous Innovation to Create Radically Successful Businesses

ERIC RIES

The Big "So What"

Each time startups and innovations fail, huge amounts of money, time, passion, and skill are wasted. Yet, with the right processes, their success could be significantly improved. This book is not just about starting a new business. It's about developing new products or services successfully under conditions of great uncertainty, reducing wastage, and building an adaptive organization that can thrive in a rapidly changing world.

The 5 Lean Startup Principles

Through his own business failures, Ries found many of the traditional entrepreneurship notions to be flawed. He began to try different approaches at IMVU – his new startup that developed avatars - experimenting with the application of ideas from lean manufacturing to his entrepreneurial challenges. This eventually evolved into Lean Startup – the application of lean thinking to the process of continuous innovation.

Startups face unique challenges, which call for not just "ordinary" management, but **entrepreneurial management.** There are 5 important principles that underlie The Lean Startup method:

1. Entrepreneurs are Everywhere

A startup is "a human institution designed to create a new product or service under conditions of extreme uncertainty."

KEY QUOTES

"My mission: to improve the success rate of new innovative products worldwide. The result is the book you are reading."

"Startup success is not a consequence of good genes or being in the right place at the right time. Startup success can be engineered by following the right process, which means it can be learned, which means it can be taught."

"Entrepreneurs are everywhere and the Lean Startup approach can work in any size company, even a very large enterprise, in any sector or industry."

"We often lose sight of the fact that a startup is not just about a product, a technological breakthrough, or even a brilliant idea. A startup is greater than the sum of its parts; it is an acutely human enterprise."

It's not defined by company size, organization type (e.g. corporation, government, non-profit) nor industry.

An "intrapreneur" in a big company – e.g. a HR manager doing creative recruitment, an IT manager developing a new solution – is as much an entrepreneur as a founder of a new company. The book details several examples of the Lean Startup at work, from large companies to fresh entrepreneurial startups.

2. Entrepreneurship is Management

Many people think that management is dull and boring, while entrepreneurship is exciting and cool. But, entrepreneurship is management, since a start-up is basically an institution that needs to be managed. The Lean Startup integrates ideas from lean manufacturing (e.g. just-in-time inventory management, small batch sizes, accelerated cycle times), to the specific challenges of entrepreneurship and startups.

3. Build-Measure-Learn

Since startups' products or services are new, they don't know who their clients are. They can't predict which approach works best until they put them to the test, yet it's inefficient to test all the options via trial-and-error. Entrepreneurs tend to either adopt a "just-do-it" approach, or suffer from analysis paralysis and spend too long trying to "perfect" their plan or product. Either ways, by the time they realize they've created something that nobody wants, it's usually too late.

The Lean Startup's Build-Measure-Learn feedback loop allows you to learn as early as possible and make constant adjustments, so you can decide whether to change course (to "pivot") or persevere.

4. Validated Learning

Startups need to quickly find out if customers want what

KEY QUOTES

"I believe that entrepreneurship requires a managerial discipline to harness the entrepreneurial opportunity we have been given."

"Most tools from general management are not designed to flourish in the harsh soil of extreme uncertainty in which startups thrive."

"For every success there are far too many failures…(these are) not just …economic damage done to individual employees, companies, and investors; they are also a colossal waste of our civilization's most precious resource: the time, passion, and skill of its people."

they have to offer, otherwise it's pointless to build it on time and on budget. They also need to learn how to market, sell, and operate this process effectively. Learning is essential; yet, how do you really know you've learnt the "right thing" and are creating value from it?

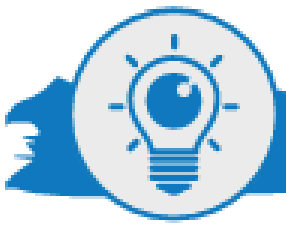
- The key is to determine which efforts are value-creating, which ones are wasteful, then systematically eliminate the wasteful ones.

- Yet, customers can't always tell you what they want, especially if it is a new product that they have not experienced before. Only by experimenting with different options and observing customers' actions (or inactions) can you derive true insights about their needs. Validated learning is about measuring the results of each applied insight, so you can measure real progress from learning.

5. Innovation Accounting

In order to measure progress towards goals and prioritise their work, startups need a different type of accounting. Innovation accounting quantifies if our efforts are generating results, and allows us to create learning milestones to access our progress accurately and objectively.

In this summary, we'll explain these 5 Lean Startup principles in 3 parts: **Vision**, **Steer**, and **Accelerate**.



Part 1: Vision

Building a startup is like driving a car. Most startups have a vision or destination in mind. To achieve that vision, they employ a strategy (a business model or road map) and create products or services to achieve that vision. The key is to avoid building your strategy and products/services on untested assumptions.

Instead, build experiments to test the hypotheses relating

KEY QUOTES

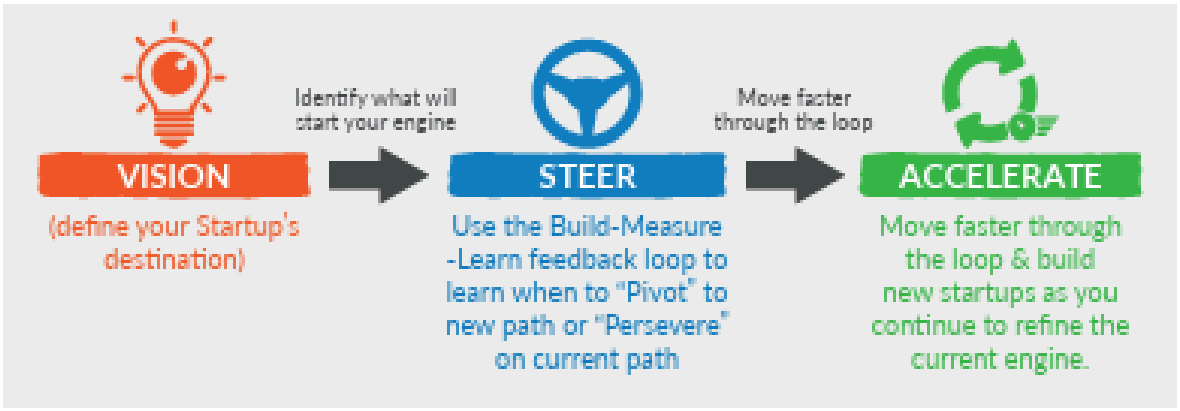
"Startups exist not just to make stuff, make money, or even serve customers. They exist to learn how to build a sustainable business."

"Customers could not tell us what they wanted...Instead, they revealed the truth through their action or inaction."

"Lean thinking defines value as providing benefit to the customer; anything else is waste."

"This is true startup productivity: systematically figuring out the right things to build."

to your vision, so you can identify and refine the key variables to start the engine. Then, you can "steer" your startup via the Build-Measure-Learn feedback loop (covered in the next segment), and use validated learning and innovation accounting to help you decide when to "pivot" or persevere. Once the engine is running, you can repeat the cycles and accelerate by progressively shifting into higher gears (covered in the last segment).



Part 2: Steer

Leap-of-Faith Assumptions

Break down your grand vision into smaller components and identify the riskiest elements, or your "leap-of-faith assumptions". For example Nick Swinmurn had a vision for a central online site for great shoes; he tested his hypothesis that "customers were ready and willing to buy shoes online", before building his online store. Today, Zappos is the largest global online shoe retailer. There are 2 important assumptions you should test:

Value hypothesis: Test whether a product or service truly provides value to customers who use it. Rather than ask customers (they may not be able to give an objective answer), run experiments to see how people participate, e.g. whether they sign up, how and how long they use the product etc.; and

Growth hypothesis: Test how new customers will discover a product or service, and if they will actively spread the word to other potential users.

KEY QUOTES

"This is one of the most important lessons of the scientific method: if you cannot fail, you cannot learn."

"Startups…have a true north, a destination in mind: creating a thriving and world-changing business. I call that a startup's vision."

"The Lean Startup method… is designed to teach you how to drive a startup."

"The goal of every startup experiment is to discover how to build a sustainable business around (its) vision."

"In the Lean Startup model, an experiment is more than just a theoretical inquiry; it is also a first product."

The idea is to do experiment(s) over a few weeks, rather than wait for months or years for a full plan to be developed. Such experiments can happen in parallel with strategic planning. That way:

- Once an experiment is successful, you can launch your campaign (and get even more inputs for refinements); and

- By the time the product is ready for mass-distribution, it will already have established customers, solve real problems, with detailed specifications for what customers want

Build (Minimum Viable Product)

Once we have defined our leap-of-faith assumptions, we are ready to test them with a Minimum Viable Product (MVP). This is when we enter the "Build" phase.

The MVP need not be a prototype or a smallest version of the product. It's simply a tool to test our hypotheses and complete the Build-Measure-Learn loop, with the least possible time and effort. We want to understand our potential customers and their problems, confirm that they have a real problem worth solving, and will buy our solution before we go about building it. Here are some examples of MVPs:

- Video. Dropbox realized that building a working prototype would take a lot of time and resources, and they needed inputs about a problem that people didn't yet know they had. So, they made a 3 minute video to explain to technology early adopters how Dropbox would work. Through viewers' signups, they validated that people wanted the product that they were about to built.

- Road trip. When Toyota wanted to create a new model of its minivan Sienna for North America, chief engineer Yuji Yokoya started with a test of his critical assumptions of what consumers wanted in a minivan. He made a road trip across 50 U.S. states, 13 Canadian territories, and all parts of Mexico, driving a then-model of Sienna to talk to and observe real customers.

KEY QUOTES

"What differentiates the success stories from the failures is that the successful entrepreneurs had the foresight, the ability, and the tools to discover which parts of their plans were working brilliantly and which were misguided, and adapt their strategies accordingly."

"Unlike a prototype or concept test, an MVP is designed not just to answer product design or technical questions. Its goal is to test fundamental business hypotheses."

"Metrics are people too… Successful sales models depend on breaking down the monolithic view of organizations into the disparate people that make them up."

"Deciding exactly how complex an MVP needs to be cannot be done formulaically. It requires judgment."

- Single deal. Groupon started out as a "collective activism platform" called The Point, with the aim of bringing people together to solve problems they couldn't solve on their own. It didn't work. Then, in 2008, they tried a new MVP – this time, 20 people bought a 2-for-1 pizza in a restaurant on the ground floor of their office block, and their engine started from there.

Here are **some important tips for MVP / hypothesis testing**:

Start with **early adopters** (people who most badly need the solutions). This group is most likely to give feedback, and be more forgiving of mistakes.

Building an MVP comes with some legal, branding, competitive and morale risks, especially since the quality is usually bad and there may be many failed iterations. **Consider launching the MVP under a different brand name**, so you can experiment under the radar before doing a public marketing launch with a proven product and real customers. You can also **secure prior commitment** that no matter what happens during MVP testing, the team will not give up hope or abandon the project.

Measure

In this phase, our key challenge is determining whether our product development efforts are making real progress. We need to know that we're learning the "right" things, and if our changes are delivering results. This is crucial to minimize wastage, and also to assure investors and stakeholders that we are making progress.

We can address this using innovation accounting, with 3 milestones:

Establish the baseline. Where are you now, and how are you currently performing?

KEY QUOTES

"The lesson of the MVP is that any additional work beyond what was required to start learning is waste, no matter how important it might have seemed at the time."

"Only 5 percent of entrepreneurship is the big idea, the business model, the whiteboard strategizing, and the splitting up of the spoils. The other 95 percent is the gritty work that is measured by innovation accounting: product prioritization decisions, deciding which customers to target or listen to, and having the courage to subject a grand vision to constant testing and feedback."

Tune the engine. Initiate the experiment to test your value or growth hypothesis. e.g. improving your product design to increase new customer activation / usage of your product.

Pivot or persevere. Based on the results or data, you can persevere with the product/features/process you now know to be correct, or pivot and test another assumption. Although a pivot means re-establishing a new baseline (and tuning the engine from there), you'll know it's successful if the engine-tuning efforts are more productive after the pivot.

It's important to use **Actionable Metrics, not "Vanity" Metrics**. Gross numbers like total revenue and total number of customers can be misleading. Instead, look at actionable metrics that measure actual behaviors behind desired performance. You can use a **split-test experiment**, i.e. offer 2 different versions of a product to customers at the same time, and observe if there are any differences in behaviours (e.g. signup rate, length of use, purchases). You may discover that some features (which you believed were important) have no impact on customer behaviour.

For such metrics to work, they must be:

Actionable: They must display clear cause and effect, so people know what action to take.

Accessible: First, make the reports as simple as possible so everyone understands them (e.g. instead of "a website hit", use "a person visiting the website"). Second make the reports widely accessible e.g. mail the document to every employee of the company, or make it available on your intranet.

Auditable: Ensure the data is credible to employees, e.g. the data can be validated with real customers, and/or the reports are drawn directly from master data (rather than intermediate systems) to reduce opportunities for error.

KEY QUOTES

"When cause and effect is clearly understood, people are better able to learn from their actions. Human beings are innately talented learners when given a clear and objective assessment."

Learn: (Pivot or Persevere)

Everything discussed so far is to equip us to answer this question: Are we making enough progress to believe our original strategic hypothesis is correct (hence we persevere), or should we make a major change (and pivot)? Unfortunately, this is not an easy decision, and there's no way to replace the human elements (of vision, intuition, and judgment) using scientific analysis. **Let's take a closer look at the pivot concept.**

If you see a decreasing effectiveness of your product experiments, or feel product development could be more productive, it's a tell-tale sign of the need for a pivot. A pivot is a structured course correction, designed to test a new hypothesis about your product, strategy, and engine of growth. Each pivot leads to new opportunities, experiments, and the cycle repeats – establish the baseline, tune the engine, make a decision to pivot or persevere.

A startup's "runway" is the number of pivots it can still make, or the number of chances it has left to make a fundamental change and take off. From this perspective, a startup's goal must be to get to the pivot asap, by moving through the feedback loop asap.

However, pivots can be hard to make. First, many businesses use *broad, vanity metrics* that blind them to the need for necessary change. Second, entrepreneurs with an *unclear hypothesis* cannot establish if an experiment has failed. Third, it's scary to acknowledge failure, i.e. *pivots require courage*.

Hence, the decision to pivot must be addressed in a structured, objective way. One solution is to schedule a regular "pivot or persevere" meeting in advance. At the meetings, the *product development team* presents detailed reports on the product optimization results over time, and the *business leadership team* presents detailed accounts of conversations with current and potential customers.

KEY QUOTES

"Startup productivity…is about aligning our efforts with a business and product that are working to create value and drive growth."

"Entrepreneurs need to face their fears and be willing to fail, often in a public way."

A pivot is not just any system of change: it must test a new, fundamental hypothesis. **Here are several pivots examples:**

Zoom-in pivot: What was previously considered a single feature in a product becomes the entire product.

Zoom-out pivot: Conversely, what was previously considered the whole product becomes only a feature of a much larger product.

Customer segment pivot: The product solves a real problem for real customers, but not the original customers you intended. At some point in a startup, you may also want to go beyond early adopters to start selling to mainstream customers. However, the latter have different requirements and are much more demanding, and a pivot will be needed to re-examine your assumptions.

Customer needs pivot: After knowing customers extremely well, it becomes clear that the problem you were trying to solve isn't very important to them. However, you discover other related problems that are important and can be solved by your team.

Platform pivot: The solution is changed from an application to a platform, or vice versa.

Business architecture pivot: This involves moving from a high margin, low volume model to a low margin, high volume model, or vice-versa. An example is to pivot from a Business-to-Business to Business-to-Consumer model.

Value capture pivot: This involves a change in the way the company captures and/or monetizes its products and services.

Engine of growth pivot: This involves a change in growth strategy (see next segment for the 3 primary engines of growth).

Channel pivot: The company changes the way in which it delivers its product to customers e.g. pivot from retail stores to direct delivery.

KEY QUOTES

"The critical skill for managers today is to match those theories to their present situation so that they apply the right advice at the right time."

Technology pivot: The company may discover how to achieve the same solution using a different technology, though this is more likely to occur in established businesses.

Part 3: Accelerate

So far, we've looked at breaking down a startup idea to its leaps-of-faith assumption, testing it with an MVP, using innovation accounting and actionable metrics to evaluate the results, and making the decision to pivot or persevere. All these set the foundation for the last part - acceleration.

Small-Batch Approach

By now, we've established the importance of getting through the feedback loop as quickly as possible. A "small-batch approach" allows us to complete one product at a time quickly, whereas a "large-batch approach" delivers all the products together at the end.

For example, instead of producing thousands of parts at a go, Toyota produced a range of parts in small batches. This allows Toyota to produce entire vehicles in small, varied batches, to better serve smaller, more fragmented markets in addition to larger markets. Any worker can also stop the production line if they spot a defect - problems are fixed on the spot (rather than compounded through mass production).

Pull, not Push (Just-in-time management)

Another lesson from lean production is the concept of "pull" in just-in-time production. In a Lean Startup, product development should only respond to "pull requests" from an experiment to be run. Once a hypothesis is formed, the product development team engineers the design and completes the experiment as quickly as possible, using the smallest possible batch size. Any other work or features "pushed" by the product development team is waste.

KEY QUOTES

"The essential lesson is... by reducing batch size, we can get through the Build-Measure-Learn feedback loop more quickly than our competitors can. The ability to learn faster from customers is the essential competitive advantage that startups must possess."

Growth Strategies

Sustainable growth for any startup is characterized by new customers who come from the actions of past customers : (a) Word of mouth, (b) as a side effect of product use, e.g. status symbols and networks, (c) through funded advertising and (d) through repeat purchase or use.

These 4 sources of sustainable growth spin the feedback loop like a combustion engine. Ries calls these the 3 Engines of Growth:

The sticky engine of growth: Companies with this growth strategy rely on a high customer retention rate, e.g. telco service providers. So long as the rate of new customer acquisition exceeds the attrition rate or "churn rate", the product will grow. Such companies must hence track their churn rate closely.

The viral engine of growth: Here, awareness of the product spreads rapidly from person to person similar to how a virus becomes an epidemic. The "viral coefficient" quantifies the virality of a product. A viral coefficient of 0.1 means that only 1 in every 10 customers will bring a friend along, and this loop will eventually fizzle out. However, a viral loop with a coefficient that's greater than 1.0 will grow exponentially, as each customer will bring, on average, more than 1 other person.

The paid engine of growth, which relies on paying to acquire customers e.g. through advertisements. A company can increase this rate of growth either by increasing the revenue from each customer, or reducing the cost of acquiring a new customer.

Startups should focus on just 1 engine of growth, specializing in everything that is required to make it work, before considering a pivot.

KEY QUOTES

"The Lean Startup works only if we are able to build an organization as adaptable and fast as the challenges it faces. This requires tackling the human challenges inherent in this new way of working."

The Adaptive Organization

Any engine of growth will eventually slow or stop. Hence, a sustainable business must concurrently tune its engine of growth and develop new sources of growth. To do this, we need to create an adaptive organization with the right structure, culture, discipline, and can automatically adjust its processes/ performance to current conditions.

Startups that move too fast may neglect problems which compound over time. To regulate themselves, lean startups can use the "Five Whys" system - slow down and invest just the right amount of resources to tackle the problems, before speeding up again:

- This is the investigative method of asking the question "Why?" 5x to understand the root causes behind the obvious symptoms. E.g. Why did the customer not collect the purchase (because the coupon was not delivered)... Why was the coupon not delivered, and so on.

- Make proportional investments for each of the 5 "Why" levels, focusing resources on the biggest, most painful problems.

- For the system to work, these 2 rules must be followed:
  1. Be tolerant of all mistakes the first time.
  2. Never allow the same mistake to be made twice.

- The book also covers useful tips like how to avoid the 5 blames, face unpleasant truths, start small, and appoint a Five Whys Master.

Ongoing Innovation

Large companies can retain the capacity for innovation, creativity, and growth by adopting "portfolio thinking", and structuring themselves to nurture disruptive innovation. To set up an innovative company:

- Give startup teams complete autonomy to develop and market new products within their mandate (just like how a startup would). Create cross-functional teams with full-

KEY QUOTES

"The Lean Startup works only if we are able to build an organization as adaptable and fast as the challenges it faces. This requires tackling the human challenges inherent in this new way of working."

"What really matters is not the raw numbers or vanity metrics but the direction and degree of progress."

"To work, startups require built-in speed regulators that help teams find their optimal pace of work."

"Both successful startups and established companies alike must learn to juggle multiple kinds of work at the same time, pursuing operational excellence and disruptive innovation. This requires a new kind of portfolio thinking."

time reps from all departments involved in the creation or launch of the products.

- Use resources wisely. Startups may need much less capital than big companies, but they must be accountable for every dollar.

- Give entrepreneurs a personal stake in the outcome of their creations – this could be through stock options, equity ownership, long-term performance incentives, or simply acknowledgement.

- Create a platform for experimentation, with clear ground rules for the startup teams to operate:

  (i) To protect the parent organization, *create a "sandbox"* that allows the startup team to work freely, yet contain the impact of the new innovations. e.g. it could be specific pages/ user flows for an online service, or a single store for a retail chain.

  (ii) *Hold teams accountable* using innovation accounting. Their goal is build the model based on customer archetypes, launch an MVP to establish a baseline, and tune the engine toward the vision.

  (iii) *Integrate successful innovations back into the parent organization*. The entrepreneurs could move on to next startups, or be given an option to follow their project back to the parent organization.

Other Useful Details in the Book to Look Out For

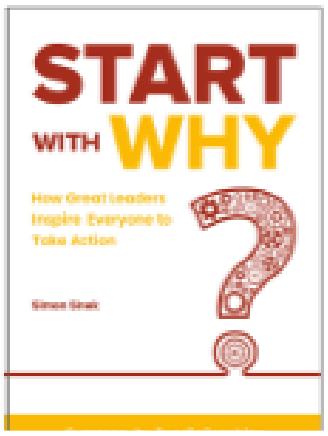
This book is full of detailed case studies to illustrate the Lean Startup at work, from young startups to established corporations, government bodies and not-for profit organizations. Some examples include his own startup IMVU, online shoe giant Zappos, leading software firm Intuit, Village Laundry Service by Procter & Gamble, Hewlett-Packard, Kodak, Wealthfront, Aardvark School of One, Toyota, Facebook and even the Consumer Federal Protection Bureau (CFPB) set up during the Obama administration.

KEY QUOTES

"A startup's work is never done...even established companies must struggle to find new sources of growth through disruptive innovation."

"Keep in mind that structure is merely a prerequisite—it does not guarantee success. But getting the structure wrong can lead to almost certain failure."

"The Lean Startup is not a collection of individual tactics. It is a principled approach to new product development. The only way to make sense of its recommendations is to understand the underlying principles that make them work."



Start with Why

How Great Leaders Inspire Everyone to Take Action

SIMON SINEK

The Big "So What"

Great leaders and organizations can create sustainable change because they *inspire* others. In the process, they create loyal followers who stick with them through thick and thin, so they can create success again and again. In this book, Sinek explains what it means to start with WHY, and how it can create true, lasting success for you and your business.

Manipulation vs Inspiration

It's possible to motivate people through carrots and sticks. However, great leaders - like Steve Jobs, the Wright brothers and Martin Luther King – go beyond that. They inspire people with a deeper sense of purpose or belonging. They touch people in a way that makes them want to go the extra mile. They inspire people by starting with WHY.

Carrots and Sticks

Manipulations are used everywhere in sales and marketing. Although they work, their effects are short-term in nature, and are costly over time. Here are some examples:

Price. When the price is low enough, people will buy. However, dropping prices means less profit, and may not be sustainable in the long run.

Promotions like "buy 1 get 1 free" or cash-back incentives, are also used rampantly to boost short-term sales.

Fear is one of the most powerful forms of manipulation. Marketers and politicians play on our fears, like fear of

KEY QUOTES

"This book is not designed to tell you what to do or how to do it. Its goal is not to give you a course of action. Its goal is to offer you the cause of action

"Those who are able to inspire will create a following of people - supporters, voters, customers, workers - who act for the good of the whole not because they have to, but because they want to."

"Great leaders are those who trust their gut. They are those who understand the art before the science. They win hearts before minds. They are the ones who start with WHY."

"From businesses to politics, manipulations run rampant in all forms of sales and marketing

"The danger of manipulations is that they work...Just because it works doesn't make it right."

"Fear, real or perceived, is arguably the most powerful manipulation of the lot."

illness, death, and loss, with messages like, "you must buy or do this, or beware of the consequences...".

Appealing to **aspirations** is about offering something that people desire, with the promise of achieving it more easily with your solution. It's very effective in motivating a burst of action, but the effects don't last.

Peer pressure. The use of celebrity endorsements, or messages like "4 out of 5 doctors prefer this solution", "over a million satisfied customers have tried this", are all manipulations using peer pressure. They appeal to our fear of being wrong, or being left out.

Novelty. True innovations can transform an industry or society. However most "innovations" in the marketplace (e.g. a new variant of toothpaste or shampoo) are merely tactics that play on the "shiny-object syndrome".

Inspiration, not manipulation

Manipulations work so well that they have become the norm in our society. Generally, manipulations (or carrots and sticks) work well for one-time transactions, e.g. a reward for returning a lost dog. Such transactions do not build loyal followers who will stick by you even when you slip up, or when better options emerge. If you want a lasting relationship built on loyalty, you need to inspire, not manipulate.

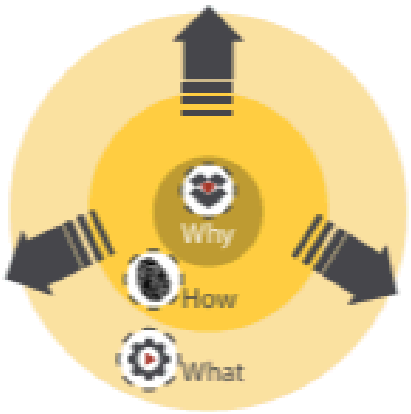
THE GOLDEN CIRCLE

The Golden Circle helps us to understand why we do what we do:

WHY: What's your purpose, belief, or cause? Why do you exist?

HOW: What makes you better or different? What's your unique selling proposition (USP)?

WHAT: What do you do? For example, what's your job function, or what products or services do you sell?



KEY QUOTES

"Peer pressure works not because the majority or the experts are always right, but because we fear that we may be wrong."

"Leadership requires people to stick with you through thick and thin. Leadership is the ability to rally not for a single event, but for years. In business, leadership means that customers will continue to support your company even when you slip up."

"It all starts from the inside out. It all starts with Why."

"When most organizations or people think, act or communicate, they do so from the outside in...We say WHAT we do, we sometimes say HOW we do it, but we rarely say WHY we do WHAT we do."

"People don't buy WHAT you do, they buy WHY you do it."

"Knowing your WHY is not the only way to be successful, but it is the only way to maintain a lasting success and have a greater blend of innovation and flexibility."

The "WHAT" is usually the easiest to define, while the "WHY" is usually the fuzziest. That's why most people communicate from outside in - they explain what they do, how their idea, product, or company is better than others, and most never explain why they exist.

The most impactful and inspiring leaders and organizations do the opposite - they communicate from inside-out. They start with WHY, and the WHATs are merely proof of their beliefs. A strong WHY offers reasons for people to buy, and gives you flexibility to offer a wide range of WHATs as a manifestation of your cause.

For example, Steve Jobs and Steve Wozniak didn't set out to build a computer company. They started Apple with the ambition to start a revolution. Apple stands for thinking differently, for challenging status quo, for simplifying technology so individuals could have the same power to create as big companies. Its earliest fans and supporters weren't just buying computers - they were buying what Apple stood for; and because Apple's WHY was so strong, people could relate to a wide range of their products, from the iPod to Mac.

Obviously, good products are important, and you must deliver what you promise. However, you don't need the best or perfect product. You need a good-enough product with a strong WHY. In fact, the technology used by Apple wasn't even pioneered by them; Apple simply did a superior job of showing us WHY we needed their solutions.

Communicating from Inside-Out

To communicate from inside-out, you'll need all 3 components – WHY, HOW and WHAT – and you'll need them in the correct sequence:

Clarity of WHY. To explain WHY you do WHAT you do, you first need to be clear about your purpose, cause or belief.

Discipline of HOW. With a clarity of WHY, you can figure out HOW to get there, e.g. what values or principles should guide your actions, what systems and processes should be put in place, what type of people or partners you should work with, and how to go about doing it. To establish the HOW, you need to breakdown vague concepts like "integrity",

KEY QUOTES

"It is the cause that is represented by the company, brand, product or person that inspires loyalty."

"No matter how visionary or how brilliant, a great idea or a great product isn't worth much if no one buys it."

"For values or guiding principles to be truly effective they have to be verbs... we have a clear idea of how to act in any situation."

"What authenticity means is that your Golden Circle is in balance. It means that everything you say and everything you do you actually believe."

"innovation", or "honesty" into actionable behaviours, that can be articulated in the form of verbs.

Consistency of WHAT. Others assess how coherent and authentic you are, by looking at whether what you do and say are in line with what you believe. You are authentic when all 3 aspects of your Golden Circle are aligned and in balance.

Let's take a look at Southwest Airlines. It wasn't the first low-cost airline, but it stood out because it had a clear purpose – to allow the average person to move freely in the United States. It backed up its WHY with a coherent HOW, keeping things cheap, fun and simple. For example, it had only open seating on its flights, and had hot pants and go-go boots for flight-attendant uniforms. When Delta Airlines and United Airlines launched their low-cost airlines subsidiaries, they copied elements of Southwest's "how" and "what". However, without a clear WHY, their Golden Circle wasn't balanced and they failed.

The WHY and Human Biology

The Golden Circle relates to how we're built biologically.

All human beings have a biological **need to belong**, and we are willing to go out of our way to get that feeling. When we are amongst people who share our beliefs and values, we feel connected and safe. Hence, if people can relate to your WHY, they are more willing to make the extra effort or investment to include your products, brands or companies in their lives.

Our "**limbic brain**", which is in charge of our decisions, is also the part of our brain that's in charge of feelings, like trust and loyalty. Our neocortex handles analytical thought and language, allowing us to rationalize our decisions and put them into words. Most of us don't try to analyze all possible data before making a decision - It takes too much time and effort, and we usually feel unsure even after processing all the empirical evidence.

On the other hand, when we "follow our heart" or make a "gut decision", such decisions "feel right", because they involve

KEY QUOTES

"Gaining clarity of WHY, ironically, is not the hard part. It is the discipline to trust one's gut, to stay true to one's purpose, cause or beliefs. Remaining completely in balance and authentic is the most difficult part."

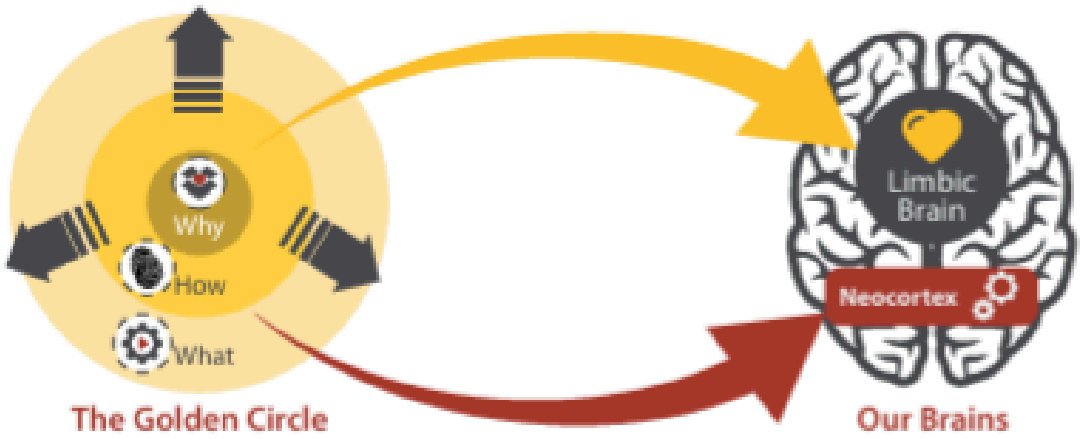
"Our need to belong is not rational, but it is a constant that exists across all people in all culture."

"Our desire to feel like we belong is so powerful that we will go to great lengths, do irrational things and often spend money to get that feeling."

"The reason gut decisions feel right is because the part of the brain that controls them also controls our feelings."

"Our behaviour is affected by our assumptions or our perceived truths. We make decisions based on what we think we know."

our emotions-centred limbic brain. That's why decisions that start with WHY literally win hearts and minds.



3 levels of certainty

The Golden Circle helps us to understand why some brands can build a strong or even cult-like following.

When we use the neocortex to make rational decisions, we *think* it's the right decision.

When we make gut decisions with our limbic brain, we *feel* it's the right decision.

When we can explain our gut feel in words, we involve both aspects of our brains, and we *know* it's the right decision. This is the highest level of confidence that can be achieved.

Both manipulation and inspiration appeal to our limbic brain. The difference is, inspiration goes deeper, to relate with who we are and how we view ourselves. When we're inspired by a product or brand, it becomes a mirror of who we are. It feels right to us and we're prepared to pay a premium (or be inconvenienced) for the products or services. Your brand or product becomes infused with meaning, and your buyers use it as a symbol to express who they are and what they believe.

KEY QUOTES

"Most companies are quite adept at winning minds; all that it requires is a comparison of all the features and benefits. Winning hearts, however, takes more work."

"Loyal buyers will always rationalize the premium they pay or the inconvenience they suffer to get that feeling (of trust and value)."

"The ability to put a WHY into words provides the emotional context for decisions."

"When we are inspired, the decisions we make have more to do with who we are and less to do with the companies or the products we're buying."

"For a logo to become a symbol, people must be inspired to use that logo to say something about who they are.""

Creating a Following

Two people given the exact same job could view it very differently. One person may find it laborious and boring to build a wall (of a cathedral), while another feels proud to be building a cathedral. Consider these 2 case studies:

Man's first flight. Samuel Pierpont Langley had an ambitious goal to build the world's first flying machine. He was a senior officer at the Smithsonian Institution, an ex-professor from Harvard, and was supported by grants, influential friends, and press coverage. Unfortunately, his key motivation was to become rich and famous; he had no clear WHY. In face of setbacks, he felt humiliated and quit. On the other hand, the Wright brothers didn't have any funding, grants, nor high-level connections. But, they were deeply passionate about solving the scientific and engineering problems of flight, and managed to rally people to help them. After persevering through numerous failures, they made mankind's first flight in 1903.

Civil Rights Movement. In pre-civil rights America, Martin Luther King Jr was not the only person who suffered. Yet, he could start a civil rights movement, because he had such a clear WHY and conviction, that he persevered when others gave up. His famous "I Have a Dream" speech touched people with similar dreams and beliefs, and rallied the masses behind his cause.

Trust: The Key Ingredient

Leaders may hold a rank or position, but they are only "leading" when people trust them and willingly follow them. Trust is an irrational feeling that develops when people feel you have their interests at heart. They start to trust you when they understand your beliefs (WHY), and can see that your actions (HOW) and results (WHAT) are aligned with your beliefs.

In business, we do not just want to leverage the power of WHY to generate more sales. We want to use it to do business with people who share our WHY, so that trust and loyalty can be built.

KEY QUOTES

"When (the WHY) is clearly understood, it attracts people who believe the same thing."

"Companies with a clear sense of WHY tend to ignore their competition, whereas those with a fuzzy sense of WHY are obsessed with what others are doing."

"WHY is just a belief, HOWs are the actions we take to realize that belief, and WHATs are the results of those actions. When all three are in balance, trust is built and value is perceived."

"There are leaders and there are those who lead."

"Trust is not a checklist... Trust is a feeling, not a rational experience... Trust begins to emerge when we have a sense that another person or organization is driven by things other than their own self-gain."

First, find those who believe

A company is essentially a culture, and common values and beliefs are what hold people together. To build a strong and trusting organization, you should start by finding people who are passionate for your WHY (your belief, cause or purpose), *before* you assess if they have the right skill sets and experience.

This ensures that you hire people with the right attitudes who can connect at a deeper level. During the 1914 Endurance expedition to explore the Antarctica, the crew was trapped for months in the bitter cold of winter, and had to cross 800 miles of rough seas to seek help. Yet, the team stuck together and no one died despite the insurmountable odds. This was probably because the right people had been hired for the job. Instead of focusing on job scope and experience, the *Endurance* ad had said: "Men wanted for Hazardous journey. Small wages, bitter cold, long months of complete darkness, constant danger, safe return doubtful. Honour and recognition in case of success." The ad attracted survivors – the right people for the job.

Create the right environment

Besides finding the right people, great leaders create a trusting environment where people feel a sense of belonging, and feel safe to take risks, seek advice, and depend on others for support.

- **Continental Airlines** used to have a toxic culture. When Gordon Bethune took over as Chief Executive in 1994, he focused on building trust and an environment where people could win. He made himself accessible and helped the staff to see how cleanliness, better service and turnaround times could benefit themselves (not just customers and the company). He introduced bonuses for everyone when common goals are met, and celebrated small wins. He created a WHY for people to feel like they are in it together.

- **Steve Jobs** did not design Apple's creations himself, nor did he tell people what products to fix. Instead, he provided the purpose and context, within which people were motivated to create and push the boundaries of their creativity.

KEY QUOTES

"The goal is not to hire people who simply have a skill set you need, the goal is to hire people who believe what you believe."

"What all great leaders have in common is the ability to find good fits to join their organizations – those who believe what they believe."

"When you fill an organization with good fits, those who believe what you believe, success just happens."

"When we are selective about doing business only with those who believe in our WHY, trust emerges."

"Pulling together a team of like-minded people and giving them a cause to pursue ensures a greater sense of teamwork and camaraderie."

"No one likes to lose, and most healthy people live their life to win. The only variation is the score we use."

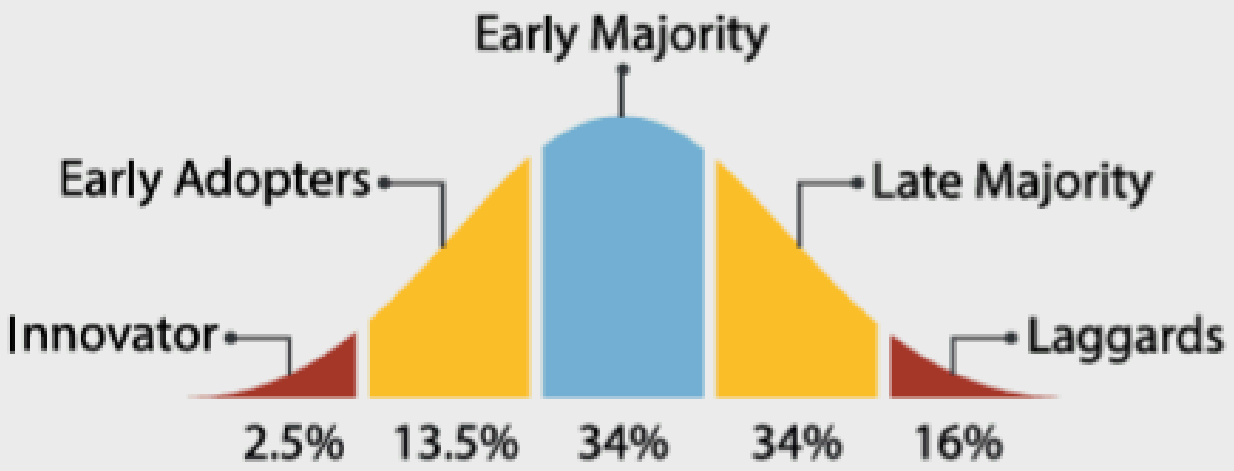
"Average companies give their people something to work on. In contrast, the most innovative organizations give their people something to work toward."

"The role of a leader is not to come up with all the great ideas. The role of a leader is to create an environment in which great ideas can happen."

Creating a Tipping Point

In the book, "The Tipping Point", Malcolm Gladwell shared how connectors and influencers are critical for creating a tipping point. However, he didn't address an important question: why should the influencers help you to spread the word? The answer is, you need influencers who believe what you believe.

Sinek explains how innovations, technology and ideas spread, using concepts from "Diffusion of Innovations" by Everett M. Rogers and "Crossing the Chasm" by Geoffrey Moore.



The key message is this – Focus on finding the 15-18% of innovators and early adopters who believe what you believe, and want to incorporate your ideas and products into their lives.

- 2.5% of the population are **innovators** (they challenge others to see the world differently), and 13.5% are **early adopters** (they see value in the new ideas or technologies and will bear with inconvenience and imperfections to try them). Innovators and early adopters support brands because it's a part of who they are; they are often willing to pay a premium, are more loyal and forgiving.

- The **early or late majority** typically care less and don't "get it". They are comfortable buying your products only after they see others trying it, which is why you should target your marketing efforts toward the early adopters first. Specifically, according to the Law of Diffusion, you need 15-18% market penetration before the early majority will try it.

KEY QUOTES

"You don't just want any influencer, you want someone who believes what you believe. Only then will they talk about you without any prompts or incentives."

"Trust is a remarkable thing Trust allows us to rely on others."

"The opinions of others matter. And the opinions of those we trust matter most."

"Passion comes from feeling like you are part of something that you believe in, something bigger than yourself."

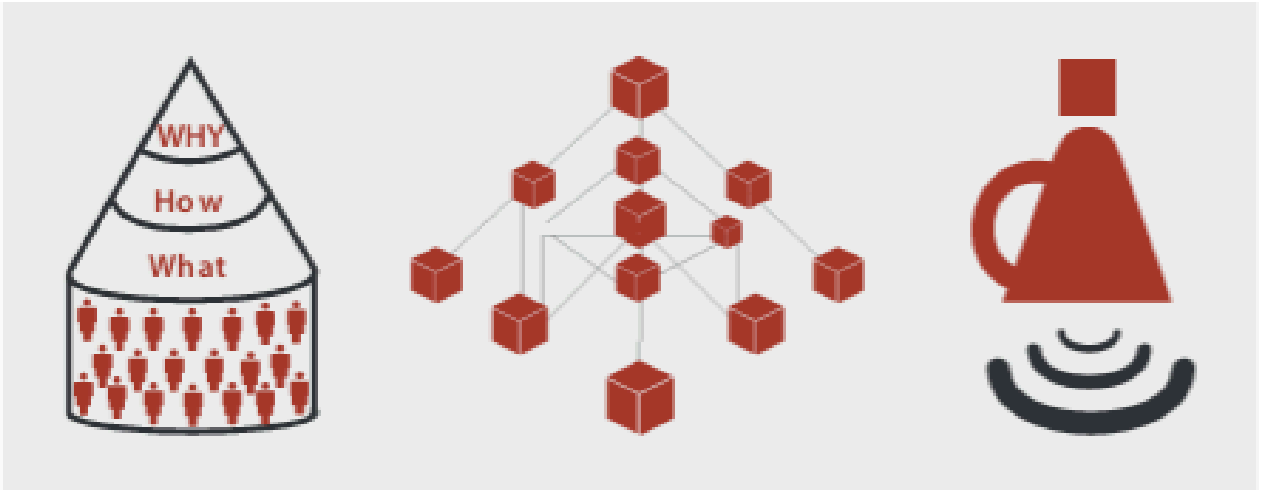
Rally Those who Believe

Injecting energy into an organization can create short-term boosts in employee motivation and action. However, to inspire and create loyalty, you need charisma, which comes from the clarity of your WHY, and the conviction of your belief or purpose.

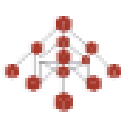
For a message to make an impact and build loyalty, you need:

- **Clarity**: To clearly articulate a higher purpose, cause or belief that others with similar values can relate to; and
- **Amplification**: It must reach enough people to reach a tipping point.

It's like amplifying your WHY with a "megaphone". Apply the Golden Circle in 3-dimensions, like a cone:



People with the WHY are visionaries; to succeed, they must **partner with people who know the HOW**. The leader's vision and charisma attract innovators and adopters, who make sacrifices to help make the vision a reality. Martin Luther King Jr. was supported by Ralph Abernathy, who took the dream and showed people what to do. Steve Jobs was supported by Steve Wozniak, who engineered Apple's early products. Bill Gates was supported by Paul Allen, who built the company.



In an organization, the CEO sits at top of the organization and represents the WHY; he must be surrounded by senior leaders who can help him to translate the HOW, and employees who are able to deliver the WHAT.

- A vision statement states the founder's intent (WHY the company exists).

KEY QUOTES

"Energy motivates but charisma inspires….Charisma commands loyalty. Energy does not."

"Loyalty to a company trumps pay and benefits…It's the cause we come to work for."

"In every case of a great charismatic leader who ever achieved anything of significance, there was always a person or small group lurking in the shadows who knew HOW to take the vision and make it a reality."

"Those who know WHY need those who know HOW."

"To reach the billion-dollar status, to alter the course of an industry, requires a very special and rare partnership between one who knows WHY and those who know HOW."

"Regardless of WHAT we do in our lives, our WHY – our driving purpose, cause or belief –never changes."

- A mission statement describes the route or guiding principles (HOW the company will create the future).

- To succeed, both statements must be aligned, and you must be supported by trust and the right skills. Our WHAT changes over time, but our WHY doesn't.

When the WHY is clear, others who share the belief are attracted and want to participate. The belief is amplified and more people are rallied.

The Celery Test

If you didn't know what you wanted to buy, you may go to the supermarket and grab everything – chocolates, cakes, celery, fruits. You spend more money, and people who look at your shopping basket see no pattern. However, if you clearly want a healthy lifestyle and will only eat whole foods, you'll only pick celery and fruits. Your choices are more focused, more cost-effective, and your shopping basket shows a clear theme. Sinek calls this the "Celery Test". A clear WHY can be used as a decision filter for your HOWs and WHATs.

Creating Lasting Success

Many people achieve their goals but feel like failures. That's because achievement comes when you achieve WHAT you want, while success comes from fulfilling your WHY. True success is a feeling or state of being which goes deeper. Unfortunately, most of us will reach a point when our WHY and WHAT are misaligned–Sinek calls this the "split".

When WHY Goes Fuzzy

Wal-Mart's founder, Sam Walton, believed that if he looked after people, people would look after him. This was WHY Wal-Mart existed. However, when Sam passed away, the company started to focus on the HOWs and WHATs, and the people-touch was gradually lost. Sinek shares example after example of companies who have faltered or weakened when the founding leader steps down–Starbucks losing sight of great personal experience, Dell losing sight of efficiency, Microsoft losing sight of people empowerment.

KEY QUOTES

"What matters more is that WHAT and HOW you do things is consistent with your WHY. Only then will your practices indeed be best."

"Success and achievement are not the same thing, yet too often we mistake one for the other."

"Achievement is something you reach or attain, like a goal. It is something tangible, clearly defined and measurable. Success, in contrast, is a feeling or a state of being."

"The challenge isn't to cling to the leader, it's to find effective ways to keep the founding vision alive forever."

"Those with an ability to never lose sight of WHY, no matter how little or how much they achieve, can inspire us."

When the company is small, the founder's personality is the company's personality. As it grows, systems and structures are put in place. More people start to make decisions, the CEO becomes distanced from the WHAT, and the WHY gets diluted.

To ensure lasting success, you must ensure that the WHAT continues to be aligned with the WHY as the company grows.

Only hire people who believe in the WHY and know HOW to build it;

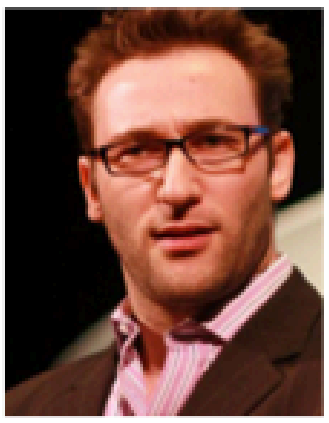
Focus your **succession plan** on finding the right leaders who are inspired by the founding cause, and can lead the future generations in the right direction. Succession is all about continuing the WHY and the vision.

What gets measured, gets done. Constantly apply the "Celery Test" to check that your WHY, HOW and WHAT are aligned.

Conclusion

Finding your WHY is a process of discovery, and the hardest part is not just to discover the WHY, but to stick to it and have the discipline to maintain balance and alignment with your HOWs and WHATs. The book is full of examples to help us understand the concept at work. For more details, please go to www.startwithwhy.com

About the Author



Simon O. Sinek (born 1973) is an author, speaker, and consultant who writes on leadership and management. He joined the RAND Corporation in 2010 as an adjunct staff member, where he advises on matters of military innovation and planning.

He is best known for popularizing the concepts of "the golden circle" and to "Start With Why".

KEY QUOTES

"Successful succession is more than selecting someone with an appropriate skill set – it's about finding someone who is in lockstep with the original cause around which the company was founded....That's why we call it succession, not replacement. There is a continuity of vision."

"Finding WHY is a process of discovery, not invention."

REMOTE

Office Not Required

Jason Fried & David Heinemeier Hansson

The Big "So What"

The book covers the benefits of remote work, the perceived obstacles, and practical tips for companies or employees who are considering or doing remote work. It builds on the authors' experience in running 37signals, a successful software company.

Introduction

Working remotely hasn't been a real option till recently, due to technological advancement (e.g. documents and screen sharing, instant messages etc.). People no longer need to live in the city to have access to information, entertainment and resources – these are accessible from anywhere in the world. In fact, having the flexibility to travel anywhere will be the new luxury.

Remote work brings **win-win benefits** for employers and employees:

Productive time: A typical day at the office is filled with many interruptions. Working remotely provides stretches of uninterrupted time to get meaningful work done.

Save on commuting. If you save 1.5 hours of commute each work day, you can save 300-400 hours per year.

Flexibility: Remote working, once set up properly, frees up employees from a fixed 9am-5pm schedule – they can decide how to distribute their time most effectively within the stipulated parameters. Companies also have flexibility in choosing the right formula that work for them e.g. you can have parts of the workforce working remotely, or have most staff working remotely part of the time.

Cost savings with better outcomes. Besides cost savings (e.g. cutting down office space, removing redundancies), remote

KEY QUOTES

"Remote work is about setting your team free to be the best it can be, wherever that might be."

"'Office not required' isn't just the future – it's in the present.. Now is your chance to catch up."

"The new luxury is the luxury of freedom and time. Once you've had a taste of that life, no corner office or fancy chef will be able to drag you back."

"The ability to be alone with your thoughts is... one of the key advantages of working remotely."

"Soon you'll see that it's the work – not the clock – that matters."

"Remote work speeds up the process of getting the wrong people off the bus and the right people on board."

working brings better quality of life, access to the best talents etc. It also forces the company to evaluate people based on the work they produce, rather than other considerations that don't really matter - it becomes clear who is performing and who isn't.

Keeping great talent. Companies no longer have to let go of great talent just because they can't be in the same office due to personal reasons like family/health. Talents who work away from the hubs also tend to be happier in their work and are less likely to be poached by the competitor next door.

Dealing with the Concerns & Excuses

There are several common concerns about remote work that are just excuses if they are examined closely.

No face-to-face brainstorming and breakthroughs. Breakthroughs and brilliant ideas can indeed emerge when the right people are in a room together. But, too many meetings will only overwhelm your team, and people typically have no time to follow up on so many good ideas. When you ration the number of in-person meetings, they can actually become special and more productive.

What if they loaf on the job? People who choose to loaf can do it in the office too. The solution is to hire only people you can trust. People tend to live up or down to your expectations, so if you trust them to excel without close supervision, they may prove you right.

The home is full of distractions. Distractions can be managed by setting up the work environment properly. In fact, the best antidote to distractions is stimulating and fulfilling work – if you find yourself/your employees unmotivated or distracted, review whether the work is well-defined or meaningful in the first place.

It's not as secure. It is a myth that only the office is secure, since most laptops (which people bring out of the office) are unencrypted to begin with. In fact, having everyone work from one office could mean having a Single Point of Failture (SPoF) if a major disaster hits the office. If people can

KEY QUOTES

"Saving money on labor is definitely not a valid reason to invite the hassle, but access to one-of-a-kind talent just might be."

"How many breakthrough ideas can a company actually digest? Far fewer than you imagine."

"Coming to office just means that people have to put on pants. There's no guarantee of productivity."

"Either learn to trust the people you're working with or find some other people to work with."

"The number one counter to distractions is interesting, fulfilling work.... Most people want to work, so long as it is stimulating and fulfilling."

securely perform online banking and purchases, they can securely work from a remote location. The authors share a list of good security measures adopted by 37signals (e.g. using hard-drive encryption and disabling automatic login).

Being accessible to customers. Rather than have someone sit by the phone from 9am-5pm to answer clients' calls, you can adjust the customer service hours/staff people through shifts so the entire day can be covered by remote staff.

But the big businesses don't do it... Many big businesses are still operating ineffectively, and this actually presents an opportunity for smaller businesses to differentiate themselves. There are also already a growing number of multi-national companies that are embracing remote working (e.g. IBM, Accenture, eBay).

Our size or industry is different... To debunk this excuse, the authors list a wide range of industries and companies (e.g. AT&T, Intel, McKinsey & Co, Unilever) whose people regularly work remotely.

The culture will be affected. Culture isn't about people hanging out together. It is the "spoken and unspoken values and actions of the organization" e.g. how we treat stakeholders, the quality we uphold. Remote work actually forces companies to have a strong culture that can be clearly articulated and communicated to new staff.

Non-remote staff may get jealous. Different jobs have different requirements and not all are suitable for remote working (e.g. delivery services). Most staff can understand that. Where possible, let people choose how they prefer to work and assess them based on the work completed (rather than location of completion).

I need an answer now! When other colleagues are easily accessible in the same office, we may fall into the bad habit of bothering them for anything, at any time, disrupting personal productivity. This is one of the biggest transitions when shifting to remote working. Learn to question if an answer is really needed immediately:

- 80% of your questions are usually not time sensitive: Use emails.

KEY QUOTES

"Creating security protocols and algorithms is the computer equivalent of rocket science, but taking advantage of them isn't... These days, security for your devices is just simple good sense, like putting on your seat belt."

"You're all in the game to find the best way to work: the most productive and happiness-inducing setup wins."

"Once you're ASAP-free... you'll be amazed at how your former self was able to get anything done in the face of constant inperson interruptions."

- 15% of your questions may need a response in the next few minutes: Use instant messages.
- Only 5% of your questions will likely need immediate answers: Pick up the phone and the answer is a phone-call away.

Losing control. This is one of the most difficult challenges to overcome, as the fear of losing control is usually primal or subconscious in nature. Start small (e.g. have someone work from home for just 1 day, then 2 days) to show that things won't fall apart, then scale up gradually from there.

Past investment in the office. The money spent on the current office is a sunk-cost and cannot be recovered. Focus instead on creating new productivity, in or out of the office.

Tips for Successful Remote Collaboration

There are real trade-offs involved in remote work, including reduced face-to-face time and the loss of imposed structure and regiment. This calls for greater personal commitment and new work frames. The key is to maximise the benefits and minimize the drawbacks.

Create overlap in work hours. This is important to avoid collaboration delays and to help remote workers to feel part of a team. The authors recommend about 4 hours of overlap across time zones (e.g. 11am to 7pm in Copenhagen and 8am to 5pm in Chicago, local time), so there's a balance between time for collaboration and flexibility for staff.

Ensure key resources are shared. Use shared calendars, shared drives etc. to ensure that all important materials are "out in the open" and not stuck in someone's computer. Use screen-sharing tools (e.g. WebEx, GoToMeeting), so staff can interact with the same materials, just like seeing it on the same computer or projector screen.

Create a "virtual water cooler". Create chat rooms where people can "hang out" virtually and interact throughout the day on any work or non-work issue, just like how they would at a staff pantry or a water cooler in the office.

KEY QUOTES

"Working remotely isn't without complication or occasional sacrifice. It's about making things better for more people more of the time."

"To instill a sense of company cohesion and to share forward motion, everyone needs to feel they're in the loop."

"Progress is a joy best shared with co-workers."

"When you can't see someone all day long, the only thing you have to evaluate is the work…it's clear who in the company is pulling their weight and who isn't."

Keep people in the loop. Create a platform where people can share their latest progress and goals targets, celebrate accomplishments and feel part of a common goal. For example, you can create a weekly discussion thread on "What have you been working on?"

Focus on the work. Evaluate people based on their work, rather than charisma, duration/ location of their work etc.

Ramping it up. Working remotely doesn't have to involve an overseas staff. It simply means not being in the office from 9am-5pm. Your staff can be working from a café downstairs or at the library across the road.

It is a good idea to start testing out remote arrangements for at least 3 months, by allowing local staff to work remotely, and/or with 1-2 days of remote work a week. When you are ready, you can increase the frequency and/ or move into truly remote overseas working. You can also consider hybrid strategies with some employees working in the office and others at home.

Minimise the M&Ms (Meetings & Managers). In the remote-working world, we still need to have meetings and managers (to plan and monitor output). However with an online "paper trail", we can easily cut down on the M&Ms.

Critical mass. Adjustments and teething pains are expected during the transition, and people must be committed to iron out the issues. It won't work if only 1-2 people start the arrangement while the rest carry on business as usual. You need a sizeable group of people, including important stakeholders, to try it out.

Build trust with clients:

- Highlight upfront (during the pitch) that you are based in a different location
- Voluntarily provide references to show you have nothing to hide
- Show them your work regularly, so they can see the progress/results
- Be extremely available - return calls, emails, messages etc.
- Let them be involved/ feel a part of your project by including them in your shared calendars etc.

KEY QUOTES

"Meetings should be like salt – sprinkled carefully to enhance a dish, not poured recklessly over every forkful. Too much salt destroys a dish. Too many meetings can destroy morale and motivation."

"Give remote work a real chance or don't bother at all. It's okay to start small, but make sure it's meaningful."

Hiring and Keeping Remote Workers

Find the best internationally. Don't limit yourself to local talent – look for the best people internationally. An international team/presence can broaden your company's perspectives and serve as a selling point with clients.

Equal pay for quality. Even if you hire someone from a city with lower cost of living, make sure you pay them an equivalent amount to those staff from the big cities. Don't use remote work as an option to skimp on salaries.

Use test projects/contracts: To truly assess a candidate's suitability, it's a good practice to do "pre-hiring", i.e. hire the potential candidate for a mini project (representative of the work they're being hired for) for 1-2 weeks, before making the hiring decision. Contract work is also a great way for both the hirer and hire to assess the remote work relationship and mutual fit.

Legalities & Finances. You need to consider the legal, taxation, accounting and foreign exchange implications of hiring overseas talents. Generally, taxes kick in once you have an overseas office or a taxable presence in that country/ state. A simpler way to start may be to hire the talents as contractors (perks and benefits can be built into the fees), or even engage lawyers or accountants who can advise you on the best setup.

It's the work that matters. When hiring remote workers, the work matters most. Rather than depend on personality assessments/quizzes, ask to see past work, or present real-world problems and have the candidate answer them as part of their job application.

Good writing skills. Much of the communication in remote work is done over email, hence good writing skills are important.

Meet them in person. Both talent and character matter. To determine cultural fit, the authors recommend flying 2-3 final candidates in for a casual chat and to hang around the office to meet and interact with the team. That way, the staff can assess if they "like" the person and vice versa. Once hired,

KEY QUOTES

"The world has never been smaller and markets have never been more open. Don't be a cultural or geographical hermit."

"Remember, doing great work with great people is one of the most durable sources of happiness we humans can tap into. Stick with it."

"Your star designer out in the sticks is just as valuable (maybe more so) to the team as those working from the big-city home office. Make sure she feels that way."

"Given how hard it is to find great people, you should be doing your utmost to keep them."

"When you're seeking remote workers, you have to do even more to encourage and nurture diversity and personal development. It's a small price to pay for a more interesting workplace and to keep people engaged for the long term."

it's useful for the new recruits to spend a few weeks in the office first, so they can understand the company, its people and processes, before returning home.

Compensate for the distance. To ensure that relationships can survive the physical distance, it is important to hire the right people (from a social perspective). Strictly no bad vibes, drama or politicking should be condoned. As an employer, you should also create opportunities to expand the diversity of "human experience" and create opportunities for personal development, e.g. encouraging or sponsoring trips and activities to create memorable experiences and/or develop new skills.

Managing Remote Workers

The rise of remote work is inevitable, and you should start setting up for it as early as possible. When managing remote workers:

Look out for overwork. When passionate people work from home, they risk working round the clock and getting burnt out. Help employees to set a healthy boundary by developing a "culture of reasonable expectations", thinking in terms of productivity (not work hours), and consciously "checking in" and "checking out" of work.

Use scarcity to your advantage. What is scarce tends to be valued more. Face-to-face interactions are scarce in remote work, hence people tend to look forward to and make better use of the opportunities when they arise. Don't be afraid to reduce the amount of face-to-face interactions, and you'll see their value go up.

Manage what matters. Managers should ideally know what needs to be done, know how to split the work into meaningful chunks, understand potential delays, help solve problems, and put the right people on the right projects.

Meet-ups & sprints. It is important for the team to meet up in person occasionally say, twice a year. It creates an opportunity for people to be involved in charting the company's direction, get reacquainted with one another as individuals, or even do a sprint to finish a project.

KEY QUOTES

"A manager's natural instinct is to worry about his workers not getting enough work done, but the real threat is that too much will likely get done."

Lessons from open source. Open source platforms like Wordpress and Linux are built from contributions by thousands of users worldwide. From their experience, we learn several lessons:

- Intrinsic motivation: people who are passionate about their work don't need to be managed.
- All out in the open: Because all the information is out in the open, anyone who wishes to help out can.
- Meeting occasionally: Most successful open-source projects grow to a point where they can support their own conferences or general sessions to allow people to meet up in person.

Remove the roadblocks, Level the playing field. To create true flexibility to work anytime, anywhere, empower people to make decisions and give them access to every resource they need. This requires trust that your remote workers will be reasonable and responsible. Invest in good intercom systems, shared desktop apps etc. so your remote workers can participate meaningfully in office discussions. Ensure everyone is seeing the same picture.

One-on-ones. Do regular "check-ins" or one-on-one calls with your remote employees every month or every few months. A casual "how are things with you" call can help to keep the connection and unearth small things that may otherwise go unnoticed.

Life as a Remote Worker

Remote work brings flexibility and new lifestyle options, but also requires some adjustment in thinking and behaviour:

Cabin fever. Remote work should not translate into isolation and solitude. As a remote worker, you can set aside quality time with family and friends, and /or step out of your home occasionally to create opportunities for human interaction.

Ergonomics. Remote working means you have the freedom to work anywhere. To make it viable in the long-term, consider your equipment (chairs, tables, screens) to take care of your body anatomy, and vary your sitting/standing positions so you're not cooped up for long periods in the same positions.

KEY QUOTES

"If you let them, humans have an amazing power to live up to your high expectations of reasonableness and responsibility."

"Flexibility is your friend here. Remote isn't binary. It's not here or there, this or that."

"Just because you work remotely most of the time doesn't mean you have to, or should, work remotely all of the time."

Staying healthy. Remote working may result in even lesser opportunity for movement and exercise, so you'll need to deliberately build in reasons to move around in the day.

Build a routine. Most people require some form of routine to be productive. You can use specific routines or cues (e.g. change of attire) to switch into "work mode", divide the day into chunks (e.g. "serious work", "catch-up" etc.), or use specific parts of your house for different activities. You can also use hybrid approaches that best suit your work/team e.g. remote arrangements in the morning (for focused work) and going to office in the afternoon (for collaborative work).

Draw the lines. To avoid overworking, create a greater distinction between work and play e.g. have different computers, device or accounts for work and personal use.

Find your space(s). Remote work allows you to change your scenery/work environment regularly, creating opportunities for new ideas. Remember that working alone in the presence of others (e.g. at a vibrant café with Wifi) can sometimes induce greater productivity than if you are totally alone.

Stay motivated. A person's level of motivation can be a gauge of the quality of work and the work environment. If you find yourself becoming unmotivated, have the courage to speak up and diagnose the issue. To make sure you are not neglected or ignored by your company, you can either make more noise or show exceptional work.

Conclusion

Like how the internet has transformed the way we communicate and do business, remote work is here to stay and will become more prevalent. The right time to get onboard is now.

Other Useful Details in the Book to Look Out For

The book reads somewhat like a collection of blog posts. Fried and Hansson share many examples of how they have implemented remote work at 37signals, such as their security measures, how

KEY QUOTES

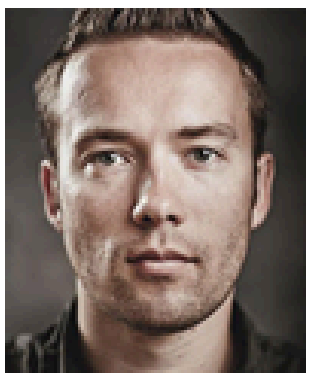
"The only reliable way to muster motivation is by encouraging people to work on the stuff they like and care about, with people they like and care about."

"Motivation is pivotal to healthy lives and healthy companies. Make sure you're minding it."

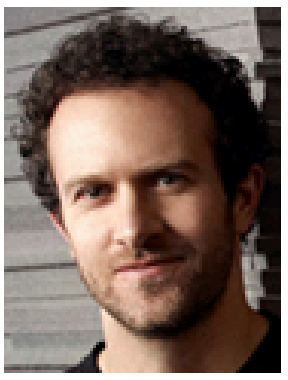
"Remote work is here, and it's here to stay. The only question is whether you'll be part of the early adopters, the early majority, the late majority, or the laggards."

they promote staff interaction and a healthy lifestyle, and how they support their staff with a company credit card and flexible vacations. They also provided a list of tools that they use in the "Remote Toolbox". These examples and tools may not be applicable to all companies, but provide ideas of what can be done.

About the Authors



David Heinemeier Hansson (born 1979) is a Danish programmer & author. He is best known for his creation of the Ruby on Rails web development framework, for which he was recognized by Google and O'Reilly with the Hacker of the Year award in 2005.



Hansson graduated from the Copenhagen Business School with a bachelor's degree in Computer Science and Business Administration, before moving to Chicago, USA. He became a partner at Basecamp (formerly 37signals) together with Jason Fried. Jason Fried is the co-founder & CEO at Basecamp.com. He's the co-author of Getting Real, Remote, and NYT Bestseller REWORK. Hansson co-wrote Agile Web Development with Rails with Dave Thomas, as well as Getting Real, Rework, and Remote with Jason Fried.

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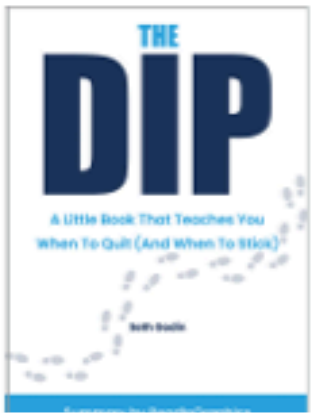


THE DIP

A Little Book That Teaches You When To Quit (And When To Stick)

SETH GODIN

The Big "So What"

It's a myth that winners never quit. In reality, winners and high-achievers attain outstanding results precisely because they know when to quit and when to persevere. This book provides simple but powerful tips to help you know when to stick and when to let go.

Introduction

People often don't quit when they should. They may hang on to a dead-end job or a sunset business out of habit or pride, or they may cling on to status quo out of comfort. In the process, they incur opportunity costs, since their time, energy and resources could have been redirected to more productive alternatives.

On the other hand, people also quit when they shouldn't. They may quit in the midst of pain and setbacks, when they could have achieved success if they pushed just a little longer and harder.

In this summary, we'll explain why it's so hard to quit the wrong things and stick to the right things, and how you can learn to quit strategically.

Being the Best in the World

To enjoy extraordinary rewards, you must become the best in the world.

In any sector or industry, people and organizations at the top get a disproportionate amount of rewards and recognition.

- If you plot the amount of rewards against ranking on a graph, you'd get an *exponential curve*, not a straight line. For example, the top ice-cream flavor (vanilla) sells many times more than the other 9 top flavors. A top musician, actor or coach earns hundreds or thousands of times more than an average one.

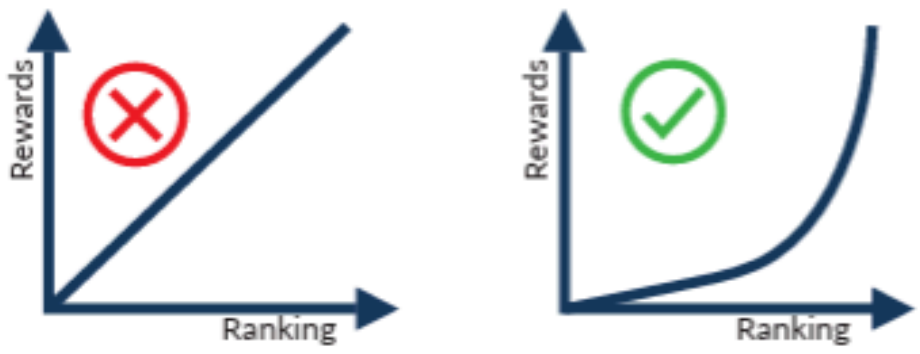
KEY QUOTES

"Believe it or not, quitting is often a great strategy, a smart way to manage your life and your career."

"Winners quit all the time. They just quit the right stuff at the right time."

"Extraordinary benefits accrue to the tiny minority of people who are able to push just a tiny bit longer than most. Extraordinary benefits also accrue to the tiny majority with the guts to quit early and refocus their efforts on something new."

Relationship between Rewards and Ranking



- Jack Welch took *General Electric* to success with this principle: GE would only be in an industry if it could be #1 or #2.

Why is there a premium for the best?

- People are naturally *risk-averse*. Given limited time and resources, we tend to go for what's "best" to minimize our perceived risks. For example, if you can afford it, you will seek the best medical treatment from the top surgeon, or get the best advice from the #1 expert. When you're on holiday, you'd search for the top restaurants and attractions. When you hire people, you'd interview the best available candidates.

- More importantly, *what's scarce is valuable*. Since there can only be a few people at the top, it makes you extremely valuable if you're considered to be the best or one of the best.

Start by defining and developing your unique niche.

- The concepts of "best" and "world" are actually *subjective*. What's "best" is merely a perception in people's mind; the definition can vary with the target audience and with time. Someone's "world" is what's accessible to him/her. The size, nature and boundaries of this world also varies with each person. For example, the best fried chicken in your world could be what's recommended by your friends, colleagues or online community, based on their subjective idea of what the best fried chicken should be like.

- Generally, categories are getting *more specific*. You're less likely to look for the "best doctor in the world" than the "best orthopaedic" or the "best heart surgeon" in your country or city. Likewise, even if you can't offer the best food globally, you can certainly operate the best steakhouse in your town.

KEY QUOTES

"Strategic quitting is the secret of successful organizations."

"With limited time or opportunity to experiment, we intentionally narrow our choices to those at the top."

"Winners win big because the marketplace loves a winner."

Quit the non-essentials. It's impossible (and unnecessary) to be the best in everything. Every individual and organization has finite time and resources. To be the best in something, you must give up the non-essentials.

- Unfortunately, many people and organizations don't aim to be the best. They settle for being "*good enough*"—they hire people who're good enough, they deliver good enough results and they learn just enough to get their work done.

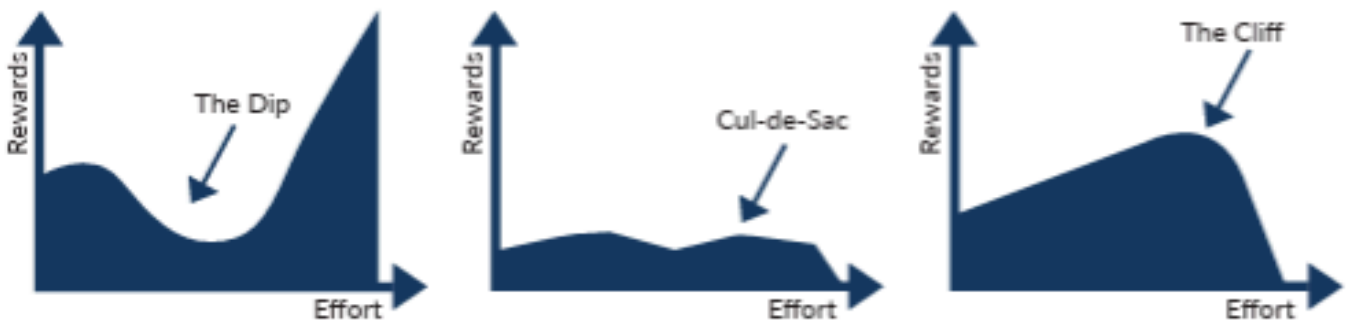
- Another common trap is to try to be *well-rounded*—if you try to do a bit of everything, you'll end up excelling in nothing.

- *Strategic quitting* is about (i) being proactive and perseverant in the areas you want to focus on and can be the best at, and (ii) giving up everything else. It's not about quitting reactively because of bad decisions or difficulties.

Strategic Quitting

Understanding the 3 Curves

The first step to strategic quitting is to understand and recognize the situations that cause people to quit. Generally, most life experiences can be represented by these 3 types of curves.



The Dip. Almost everything in life follows this curve. When you start doing something, it usually seems fun and interesting. Then, you start to experience challenges, and it becomes increasingly hard to get the desired results. This is "the Dip".

- For example, when you first start a business, you tend to feel excited and optimistic. Then, reality sinks in and you find yourself struggling to find customers and pay your bills. Your energy dips and the future no longer looks so rosy.

KEY QUOTES

"You really can't try to do everything, especially if you intend to be the best in the world."

- Or, you may find it interesting initially to learn a new hobby. However, you'll soon find your progress stagnating and the only way to push to a new level is to start putting in regular, disciplined practice.

- On the surface, the Dip seems to be an obstacle to your desired outcome. In reality, if you manage it well, it can be an opportunity or a shortcut to success and mastery.

The Cul-de-Sac is essentially a dead-end. No matter what you do, nothing moves and there's simply no progress.

The Cliff is a situation where it's hard to quit until you find yourself at the edge of disaster and things are about to fall apart. For example, people usually find it hard to quit smoking or gambling until they hit a major health or financial crisis.

When to Quit vs When to Stick

In a nutshell, quit when (i) you're facing a Cul-de-sac or a Cliff, or (ii) if you're not going to become #1 on this path. Never quit in the Dip due to short-term pain—this is actually your opportunity to win big.

When you're facing a Cul-de-sac or a Cliff, quit immediately. Do not procrastinate. The Cul-de-sac may seem safe/boring while the Cliff may seem exciting. However, if you stick to either curve, you'll eventually fail. The only exception is if you can change a Cul-de-sac into a Dip.

When you're in the Dip, never quit. Instead, invest your time, energy and effort to conquer the challenges to get to the next level.

- The challenges in the Dip are actually *opportunities*. The harder and more uncertain something is, the more people will drop out. This makes the remaining players more scarce and valuable.

- Lean in to the challenges, push harder, learn as fast as you can and consider how you can change the rules to win the game. When you deliberately *work through the challenges*, you'll move out of the dip much more quickly to achieve success.

KEY QUOTES

"Stick with the Dips that are likely to pan out, and quit the Cul-de-Sacs to focus your resources."

"The Dip creates scarcity; scarcity creates value."

"Dips don't last quite as long when you whittle at them."

- *Do not quit* and take the easy way out by moving on to something else. If you keep switching paths each time you face difficulties, you will never achieve excellence. Top marketers, consultants and professionals earn a huge premium because they've spent years honing their skills and accumulating experience that help them stand out in a crowded marketplace. A woodpecker that pecks a few times on every tree will soon starve to death, whereas a woodpecker that keeps pecking on 1 tree will eventually get to its prize.

- On the other hand, don't simply go with the flow or buckle down and hope to survive. Unless you make a conscious effort to attain mastery, you will simply stagnate and *stay mediocre*.

Remember this **rule of thumb**: Only start something if you can be #1 in that area.

- *Why people fail*. People don't make it through the Dip because they (i) run out of time, money, courage, or passion, (ii) focus on short-term pain/results instead of long-term goals, and/or (iii) focus on the wrong areas where they can't be the best at.

- Anything worthwhile will involve a dip. Before you enter a new market, take on a project or job, step back to consider (i) what it'd be like if you can be #1 or a superstar in that area, (ii) what challenges you'd have to overcome to get there and (iii) if you're able/willing to do what it takes. *Be selective* of what you embark on in the first place.

- Unfortunately, many people/organizations do things without *prior deliberation*. As a result, they end up choosing the wrong areas (where they can't be #1) or giving up prematurely. Either ways, they end up wasting time and resources.

Here are several **common situations** where people get stuck in the Dip or quit:

- *Manufacturing*. It can be fun to build something at home or in your backyard. However, it's much harder to scale up your production: you'll have to invest in materials, equipment and figure out how to deliver efficiently with consistent quality.

- *Sales & distribution*. You may enjoy some initial success by selling personally. However, to compete effectively, you may

KEY QUOTES

"In a competitive world, adversity is your ally. The harder it gets, the better chance you have of insulating yourself from the competition."

"It's easier to be mediocre than it is to confront reality and quit."

"It's human nature to quit when it hurts. But it's that reflex that creates scarcity."

"If you're going to quit, quit before you start.... Don't play the game if you realize you can't be the best in the world."

eventually need to develop a professional salesforce, invest in sales tools/systems, and/or develop new distribution channels (e.g. getting onto the prime shelves of major retail chains).

- *Education*. At some point in your career, you'll have to learn something new and/or rebuild your skills to move to the next level.

- If you're growing a business, at some point you'll need to take the *risk* to invest in systems, processes and offices to scale up.

- *Relationships* take time to build and you can only see returns much later. If you focus only on immediate returns, you'll neglect the long-term relationships needed for future successes.

- At various points in your life, you need to let go of old beliefs and assumptions and adopt *new perspectives* to move forward. You may also have to give up your *ego*, pride or sense of control.

When we see others getting a big break, it may seem effortless because we only see their end results. We don't see the struggles and multiple Dips that they've overcome.

- A study found that the average salesperson gives up after the 5th contact with a prospect, when 80% of customers only buy on the 7th attempt. The salespeople who stick it out are the ones who close the sale.

- Mass-market demand is nurtured through years of market development and product-refinement. When a new product is launched, only a small percentage of early adopters will be willing to try it. The majority of customers will wait till the product is extensively tested, more standardized with much cheaper options. Even an established company like Microsoft needs multiple iterations to develop a successful solution—it failed 2x, 3x and 4x respectively with Windows, Excel and Word.

Once you understand the Dip, you can leverage it not just for your own success but also to build a competitive advantage.

- Established businesses often try to create Dips that are hard for *competitors* to overcome. For example, Apple's proprietary platform, network of partners, systems and relationships make

KEY QUOTES

"The businesses we think of as overnight successes weren't. We just didn't notice them until they were well baked."

it difficult for contenders to establish a foothold. Professionals (e.g. doctors, lawyers) also create barriers to entry through onerous professional certifications and other requirements.

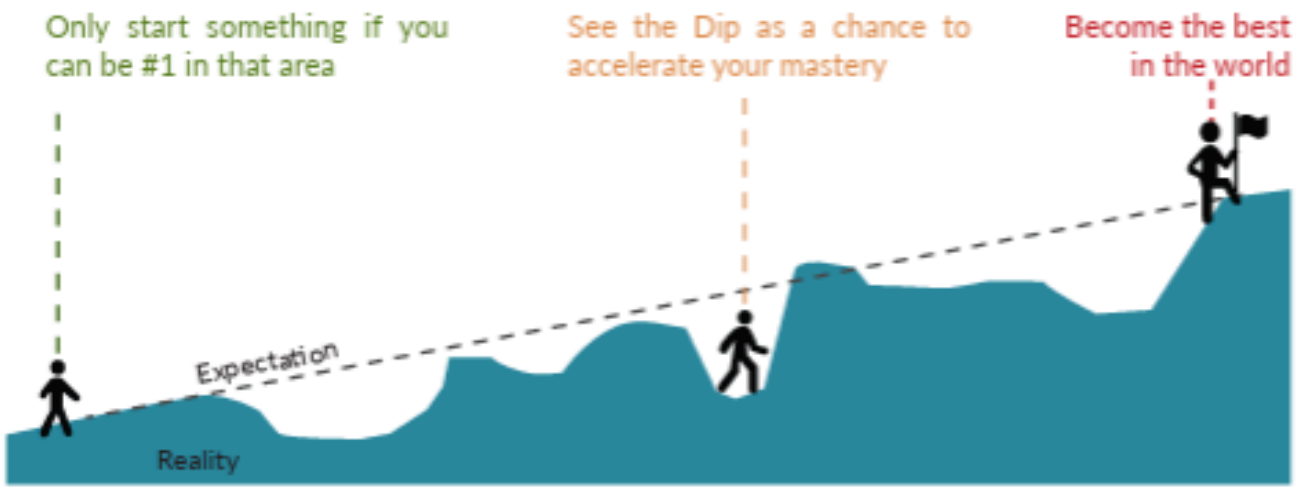
- Businesses can also use the Dip to *make more money*. For instance, health clubs know that they can sell more memberships than their actual capacity, since people tend to quit before they've consumed their health packages.

Putting it Together

So long as you've chosen your niche/path well (i.e. it's one where you can be the best in the world at), stick to it. Don't quit.

- After each setback, *recommit* your efforts and resources to find alternative routes to reach your end-goals. It's ok to quit specific tactics so long as you don't quit your main strategy. Know that the Dip is not static and you can change your circumstances with proactive action.

- Don't focus on the short-term pain. Focus on your *long-term vision* beyond the Dip and andit pull you along. The good news is, with every dip you get past, you'll become better and more valuable.



- However, you should quit if (i) you're not going to become #1 on this path, or (ii) you're facing a Cul-de-sac or Cliff.

  - Remember: *quitting ≠ failing*. It's wise to quit something that's not aligned with your long-term strategy or vision. It's unwise to quit because of short-term pain or stress.

  - Don't cling on to an existing path out of pride or familiarity. Either quit or push to be the best. *Don't settle for being average*.

KEY QUOTES

"The opposite of quitting is rededication. The opposite of quitting is an invigorated new strategy designed to break the problem apart."

"Quitting the projects that don't go anywhere is essential if you want to stick out the right ones."

"Never quit something with great long-term potential just because you can't deal with the stress of the moment."

"Coping is a lousy alternative to quitting."

"Quit or be exceptional. Average is for losers."

Apply strategic quitting: quit and persevere for the right reasons.

- *Select your Dip*. Assess how much time, energy, and resources you have, so you can select a dip of the right size to conquer. Remember: your goal is to focus on an area where you can be #1 in. There's no point in going into a huge market if you don't even have the resources to make yourself heard. Instead, aim for the biggest dip your resources can permit.

- Before you get started, *write down the strategic criteria* or circumstances under which you're willing to quit, e.g. if your assumptions prove to be wrong and you clearly can't be #1 in that area.

- *Stick with your pre-planned criteria*. Never make decisions based on your feelings or impulses. Before you quit, ask yourself 3 questions:

  (i) "*Am I panicking?*" Panic is never pre-planned, and is a sign that you're probably making in-the-moment decisions for the wrong reasons. In fact, something that scares you could very well be something you *should* try.

  (ii) "*Who am I trying to influence?*" A decision to quit usually involves a failure to influence someone, e.g. your boss (to get a promotion), or your customers (to sell your product). Consider who decides what's "best" in your context. If your success hinges on 1 person and you've already tried (and failed) to change his/her mind several times, then things are unlikely to change. However, if you're trying to influence an entire market, then it pays to be patient; each step you take can create a ripple effect and that makes things easier.

  (iii) "*What measurable progress am I making?*" In any situation, there are only 3 options: move head, fall backward, or stay still. To move beyond the Dip, you must at least make some progress. Identify meaningful measures and track your progress, e.g. to reach the breakeven point in your business, you must have new sales or customers. Each time you stagnate or reach a dead-end, explore if there are better ways to redirect your energy and resources to achieve your strategic goals.

KEY QUOTES

"If you are making a decision based on how you feel at that moment, you will probably make the wrong decision."

"Influencing one person is like scaling a wall. If you get over the wall the first few tries, you're in. Influencing a market…is more of a hill… every step of progress you make actually gets amplified."

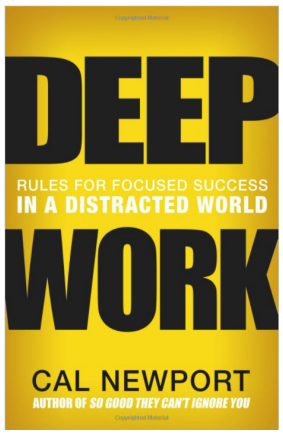
Conclusion

This is a short book, and Godin uses a conversational style to repeatedly reinforce the key ideas in this summary. For more details please visit www.sethgodin.com.

About the Author

Seth W. Godin (born 1960) is an American author and entrepreneur. Godin previously founded and sold a book packaging business. He then launched Yoyodyne to promote permission marketing. In 1998, Yoyodyne was sold to Yahoo! for about $30 million and became Godin Yahoo's vice president of direct marketing. In March 2006, Godin launched Squidoo which was sold to HubPages in 2014. Godin has authored 18 books.

KEY QUOTES



DEEP WORK

Rules for Focused Success
in a Distracted World

CAL NEWPORT

The Big "So What"

Deep work is about focusing without distraction on cognitively-demanding tasks. It's vital for mastering hard things and delivering high-value outcomes. Yet, in our high-tech, hyper-connected society, people are constantly distracted by emails, social media and infotainment, losing their capacity for intense focus. This book explains the importance of deep work and how to nurture this valuable but increasingly-rare skill.

Introduction

Deep work is performed in a state of distraction-free concentration that pushes your skills and abilities to the limit. Such work creates real value and is hard to replicate. On the other hand, shallow work is cognitively undemanding and is often performed in a state of distraction. Such work doesn't typically create much value and is easily replicated.

Many famous works are the result of **deep work**. Mark Twain wrote the bulk of "The Adventures of Tom Sawyer" in a secluded shed. Screenwriter and director Woody Allen did all his writing manually on a typewriter to stay free from digital distractions. In our modern economy, deep work is vital for high-impact activities ranging from writing a great novel to formulating a winning strategy.

Yet, technological and societal changes are pushing us increasingly toward a **shallow work culture**. A 2012 McKinsey study found that the average knowledge worker spent >60% of work hours on electronic communication and surfing the Internet. Such digital distractions are damaging as they (i) make us less effective in work that requires stretches of intense concentration and (ii) can permanently reduce our capacity to focus.

KEY QUOTES

"Deep work requires long periods of uninterrupted thinking."

"Spend enough time in a state of frenetic shallowness and you permanently reduce your capacity to perform deep work."

In this summary, we've distilled and reorganized the key ideas about Deep Work into 2 parts: "Why deep work is important" and "Rules and strategies for deep work".

Why Deep Work is Important

Deep work has value

In the book "Race Against the Machine", economists Brynjolfsson and McAfee say that intelligent machines are rapidly changing our economy. They theorize that in this new economy, people whose skills can be easily automated or outsourced will lose out, while 3 groups of people will win:

- *Highly-skilled workers* (e.g. computer programmers or data analysts) who can work with machines to create new value.
- *Superstars* i.e. the top talents in each field. Technology has made it possible for employers to hire the best talents globally to work on projects remotely for a fixed fee. This can be more attractive than hiring full-time staff with average skills.
- *Owners* with the capital to invest in new technologies. Instagram, for instance, had only 13 staff but was sold for a billion dollars.

To become a highly-skilled worker or a superstar, you need 2 key abilities. Deep work provides the foundation for both skills:

- *Learn and master hard things quickly*. To master complex machines and keep up with rapid technological changes, you must repeatedly learn hard things quickly. This requires intense concentration or deep work. Anders Ericsson discovered that "deliberate practice" was a key differentiator between normal vs outstanding performers—those who achieved top results did so because they (i) applied focused attention to improve a specific skill and (ii) received feedback to improve that skill precisely. This can be explained by neuroscience research: when you focus intensely on a specific skill, it forces an isolated neural circuit in the brain to fire repeatedly. This in turn triggers the production of myelin (fatty tissues) around those neurons to help them fire better (thus reinforcing the skill).

KEY QUOTES

"Once the talent market is made universally accessible, those at the peak of the market thrive while the rest suffer."

"Talent is not a commodity you can buy in bulk and combine to reach the needed levels: There's a premium to being the best."

"If you're comfortable going deep, you'll be comfortable mastering the increasingly complex systems and skills needed to thrive in our economy."

- *Deliver top-notch results*. Superstars don't just master valuable skills; they also apply them in a way that creates massive value, e.g. using computer programming to develop a solution to a real-world problem.

  - Jason Benn, originally an economics graduate, managed to learn a new skill and switch industry by going deep for 6 months. To force himself to learn computer programming, Benn locked himself in a room with just books and writing material. After 2 months of intense self-study, he attended a coding bootcamp, excelled there and got himself a job as a developer for double his previous salary.

  - When you switch between tasks, the "attention residue" from the previous task hinders your ability to fully focus and perform on the current task. By working singularly on 1 hard task for a long time, you minimize attention residue to drastically improve your effectiveness.

Deep work is uncommon

Deep work is valuable and should be a business priority. Yet, it is becoming increasingly uncommon at the workplace. This means there's a huge opportunity for individuals: by mastering the rare skills and abilities for deep work, you can significantly increase your value in the new economy.

There are at least **3 business trends that hinder deep work**:

- *Serendipitous collaboration*. Serendipity is about putting random people together to spark unexpected ideas and synergies. This has led to open-office concepts which bring free interaction but also constant distraction.

- *Instant communication*. Instant messaging, phone messages and emails are now widely used in organizations, resulting in constant disruption and an overwhelming volume of random inputs.

- *Having a constant social media presence*. Social media is now seen to be a key marketing tool and companies may encourage their staff to post regular updates—such low-value work creates a distraction to other high-impact work.

KEY QUOTES

"To produce at your peak level you need to work for extended periods with full concentration on a single task free from distraction."

"Big trends in business today actively decrease people's ability to perform deep work, even though the benefits promised by these trends… are arguably dwarfed by the benefits that flow from a commitment to deep work."

It's hard to reverse such trends due to **3 biases for shallow work**:

- It's generally hard to quantify the impact of deep work vs shallow work. Without concrete stats, the *Principle of Least Resistance* kicks in and we do whatever is the easiest or most convenient. Yet, shallow work is costly in the long term. The CTO of Atlantic Media analysed their company-wide email usage in 2012 and found that every email was costing the company 95¢ in labor costs (or $1mil per annum). In another experiment, a Boston Consulting Group team found that allowing its team member to take 1 day off work each week instead of being available 24x7 for clients actually resulted in better team outcomes.

- Most companies also *lack clear productivity metrics* for knowledge workers. Without clear metrics, people use busyness as a gauge for productivity. Doing more things may mean higher productivity for industrial workers, but it actually decreases the value of the output for knowledge workers.

- We're typically *biased toward technology*, i.e. we tend to assume that anything high-tech is generally good. Thus, we tend to adopt new technologies before stopping to debate the trade-offs.

Deep work improves your quality of life

Deep work can also improve your levels of happiness and fulfilment.

Neurological perspective: When you focus on something regularly, it strengthens the associated neural pathways in your brain. Over time, you can train your brain to habitually ignore the negatives and savor the positives to feel happier overall. By engaging in deep work regularly, you shut out trivial concerns and train your mind to see your work as rich and fulfilling.

Psychological perspective: The very experience of going deep into a challenge can be very fulfilling. Renowned psychologist Mihaly Csikszentmihalyi found that people felt best when they were in "flow"—when their minds or bodies were stretched to the limit in a quest to achieve something both difficult and worthwhile. In fact, his studies found that people often enjoyed work more than free time, since work allowed them to be immersed in meaningful goals, feedback and challenges.

KEY QUOTES

"Without clear metrics to support it, any business behavior is vulnerable to unstable whim and shifting forces."

"Knowledge work is not an assembly line, and extracting value from information is an activity that's often at odds with busyness, not supported by it."

"Clarity about what matters provides clarity about what does not."

"A deep life is a good life, any way you look at it."

"What we choose to focus on and what we choose to ignore—plays in defining the quality of our life."

"Human beings, it seems, are at their best when immersed deeply in something challenging."

Philosophical perspective: You can find meaning in any type of work regardless of the job description. The key is to adopt a craftsman's approach—don't treat it like a job, but a craft that you're seeking to master. Seek to hone your skills, deepen your appreciation and perfect your craft in your own unique way. Even a computer programmer can see well-written, simple/elegant code as something beautiful or poetic.

Rules and Strategies for Deep Work

In this section, we present 4 rules for deep work and their associated strategies.

Build rituals and routines

Even if you want to work deeply, it's not easy to do so because most office setups and work cultures are not ideal for deep work. You'd also have to overcome your natural instinct to switch to easy, distracting activities (e.g. checking emails or surfing social media sites). Build rituals and routines so it's easier to overcome obstacles and move into states of intense focus.

Tailor your depth approach to match your circumstances.

- *Monastic approach*: completely remove or cut down shallow work. For example, computer scientist Donald Knuth deleted his email accounts and returned to communication via postal mails, with an admin assistant to sort through his letters and bring only the important ones to his attention. This approach works best if you have a clear, concrete contribution that's pegged to your individual effort.

- *Bimodal approach*: Split your time so you devote stretches of time for deep work and leave the rest for other obligations. To achieve extreme productivity, set aside minimally 1 full day each time for deep work. Try blocking out a few days per week or an entire season per year just for deep work. For example, psychologist Carl Jung took regular retreats to Bollingen to think and write, but immersed himself back into his usual meetings, clinical practice and digital connections once he returned to Zurich. This model is compatible with most jobs, though it may take some time to adjust.

KEY QUOTES

"You don't need a rarified job; you need instead a rarified approach to your work."

- *Rhythmic approach*: Create a rhythm for deep work daily so it becomes a habit. You can use visual indicators (e.g. marking a big red X on your calendar each time you finish a stretch of deep work or a deep output), or set a distinct time period to start and end deep work every day. This approach won't have the same impact as going deep for 1 full day, but it's useful if your self-discipline or work schedule doesn't allow you to devote full days for deep work.

- *Journalistic approach*: Fit deep work into your schedule whenever you can. This approach is not for novices as task-switching is usually counter-productive. Walter Isaacson could write his first book using this approach because he already had years of journalism experience and could switch into writing mode at will.

Build strict rituals so you can transit smoothly into your deep work sessions without having to decide on the elements each time.

- Pulitzer Prize winner Robert Caro trained himself to be organized by creating *strict rules*, from where he places his books to what he wears to the office. When Charles Darwin was working on "On the Origin of Species", he followed a *strict daily routine*: wake up at 7am, take a walk, eat breakfast alone, work for 1 hour in his study, read his letters for 1 hour, then continue for 1.5 hours in his study till noon.

- *Consider these factors* when tailoring your ideal ritual:

  (i) Location and duration. Ideally, find a place dedicated to deep work and set a duration that makes each session challenging.

  (ii) Rules for how you'll work, e.g. specific processes, no internet.

  (iii) Supporting elements, e.g. having a healthy meal and a cup of coffee before you start.

Make grand gestures that break your routine and involve a big investment of time, money or effort, e.g. travel to an exotic location or lock yourself up to finish a project.

KEY QUOTES

"By supporting deep work with rock-solid routines that make sure a little bit gets done on a regular basis, the rhythmic scheduler will often log a larger total number of deep hours per year."

"(Great creative minds) think like artists but work like accountants."
- David Brooks

"To make the most out of your deep work sessions, build rituals of…strictness and idiosyncrasy."

"Sometimes to go deep, you must first go big."

- Microsoft founder Bill Gates retreats into the forest each year for 2 weeks to think and read. Writers like Daniel Pink and Michael Pollan built writing cabins for focused writing. Entrepreneur Peter Shankman invested 30 hours and $4,000 for a round-trip business-class ticket just so he could focus on finishing a book manuscript in the plane/lounge.

- Such grand gestures provide a refreshing change of environment and commit you psychologically to get things done.

Collaborate. Deep work need not be done in isolation and can be enhanced through collaboration. The key is to separate serendipitous collaboration from deep work sessions.

- It's ideal to have a *hub-and-spoke office setup* with both common spaces (e.g. shared hallways for people to connect) and private corners/offices (for people to think/work quietly).

- You can hold deep work sessions by *jointly working on a problem with someone* to stimulate ideas and push deeper into the issue.

Execute effectively. Use the framework from "The 4 Disciplines of Execution" to roll out your plan seamlessly:

- Discipline 1: *Focus on just a few "wildly important goals" (WIGs)*. To work deeply, don't try to avoid distractions. Instead, focus on a goal that excites you enough to shut out those distractions.

- Discipline 2: *Act on the lead measures*, i.e. the activities that drive your end-results. The lead measure for deep work is the amount of time spent working deeply toward your WIGs.

- Discipline 3: *Have a compelling scoreboard* so you can keep score. Newport created a visible scoreboard where he (i) tallied the # hours spent weekly on deep work and (ii) circled out the tally whenever he completed a big milestone. This helped him to connect deep work hours with results, and gave him a realistic idea of how much deep work he needed for each milestone.

- Discipline 4: *Create a rhythm of accountability*. Be accountable to yourself through weekly reviews: examine the deep work you've done the previous week, celebrate good results, identify learning points, and set new commitments the following week.

KEY QUOTES

"When it comes to deep work… consider the use of collaboration when appropriate, as it can push your results to a new level."

"It's often straightforward to identify a strategy needed to achieve a goal, but what trips up companies is figuring out how to execute the strategy once identified."

Go for downtime. At the end of your work day, learn to put away all work issues physically and mentally.

- Idle time is not wasteful; it's actually essential for optimal performance. Switching off from work regularly *improves your results* because (i) it allows your subconscious mind to work on complex problems that your conscious mind can't unravel and (ii) it allows you to recharge so you're more productive at your next deep work session. In any case, the type of shallow tasks we fit into the evenings typically create little value.

- Develop a "*shutdown ritual*" to help you put away your work totally: check your emails to ensure there're no urgent follow-ups required, list down all the tasks on your mind so you can find them the next day, check your calendar to ensure there're no vital events you've missed, have a rough plan of action for the next day, and then say to yourself "shutdown complete".

Train your mind

Our mental muscles grow strong with use and weak with disuse. People who constantly multi-task have been found to become chronically distracted, i.e. they can't concentrate even when they want to. Learn to resist distractions and improve your capacity for intense focus.

Make focus your default state of mind. Don't schedule periods of time away from distractions; schedule time for the distractions instead.

- Often, people will start looking at their phones the moment they enter a queue or feel bored—this trains the mind to constantly seek novelty. Such habits can't be weaned off with occasional distraction-free periods, e.g. an internet-free day. You must *operate distraction-free by default*.

- Fix specific *time blocks for distracting activities* like TV or internet and avoid them totally outside of those time blocks. Do this both at work and at home. If your work requires you to be connected, then create more internet blocks but stick to them strictly.

Compress your timelines. Think of a complex/hard task, estimate the amount of time you'd typically need, then give yourself a drastically reduced timeline to complete it. Ideally, make this goal

KEY QUOTES

"Idleness is not just a vacation, an indulgence or a vice; it is as indispensable to the brain as vitamin D is to the body…it is, paradoxically, necessary to getting any work done."
- Tim Kreider

"When you work, work hard. When you're done, be done."

"The ability to concentrate intensely is a skill that must be trained."

"Instead of scheduling the occasional break from distraction so you can focus, you should instead schedule the occasional break from focus to give in to distraction."

public. This will force you to tackle the task with intense focus. Do this for once a week initially then gradually increase the frequency as your mind adapts to the intensity of the sessions. After a few months, you should see a marked improvement in your focus and performance.

Meditate productively. Find periods of time when you're occupied physically but not mentally (e.g. when you're walking or showering). Use that time to think deeply about a concrete professional problem, e.g. a presentation outline or a business strategy. Aim for at least 2-3 such sessions a week.

- *Catch yourself* if you start looping over what you already know instead of doing the hard work of thinking. Each time your mind wanders, bring it back to the problem at hand.

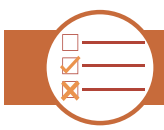
- *Develop a structure* for your deep thinking. For example, you can define the variables, the next-step question (e.g. "How can I deliver this presentation powerfully?") and review your answer.

Do memory training. Memory athletes can achieve cognitive feats because they've trained themselves to develop a superb attention span. Use this technique by Ron White to *memorize a deck of cards*:

- Imagine yourself walking through 5 rooms in your house. Place 10 items (e.g. a welcome mat, a pen) in each room and add 2 items in the backyard. Repeat the process until you can recall all 52 items easily.

- Associate each of the 52 playing cards with a memorable person or thing, e.g. Queen of Hearts with Queen of England.

- Shuffle the cards. As you draw each card from the deck, place the associated person/thing sequentially in the house, e.g. the Queen of England wiping her shoes on the welcome mat. Memorize the entire deck of cards using this visual technique.



Use digital media selectively

Network tools can be useful for your success and happiness, yet most of them are counter-productive. Instead of using any tool that offers a benefit. Newport advocates selecting your tools carefully to use only tools that have a huge nett positive impact on your goals.

KEY QUOTES

"Your ability to concentrate is only as strong as your commitment to train it."

"To master the art of deep work...you must take back control of your time and attention from the many diversions that attempt to steal them."

Focus on the vital few. In most aspects of life, 80% of outcomes come from 20% of causes. While many things can give us minor benefits, only a handful will give us massive results.

- *Apply the 80-20 rule* to your internet habits. Identify your top personal and professional goals, and 2-3 most critical activities to help you achieve them. Evaluate each network tool against these goals/activities. Use only tools that have substantial positive impact that outweigh any negative impact.

- By dropping most tools with only marginal benefits, you free up the time and energy for *a few top tools* that'll deliver much greater payoffs. For example, if your goal is to build deep relationships with people who matter most to you, then it's more productive to catch up with a close friend over coffee than spend time on Facebook.

Use leisure time wisely. You have total freedom to do whatever you want with the leisure time outside of work. Don't use it to mindlessly to surf the internet. By planning your leisure time carefully and filling it with quality activities that enrich your mind, you'll end up feeling more energized and fulfilled.

Do a social media embargo. Of all network tools, social media tends to be the most addictive and disruptive. Stop using all social media services for 30 days without announcing your intent or deactivating your accounts. Then, ask yourself: (i) Were the last 30 days noticeably worse without the service and (ii) Did people care that you weren't on the service? Unless the answer is "yes" to both questions, stop using that service.

Limit shallow work

It's not necessary nor possible to eliminate all shallow work. In any case, the average person only has enough cognitive capacity for about 4 hours of intense deep work a day. The key is to take control of your shallow work, so they don't hijack your time/energy for deep work.

Schedule each day in advance. List down your key priorities and activities, then assign them to time blocks so every minute of your day is accounted for. You should also include time blocks for meals and relaxation.

- As the day unfolds, you may find that you've underestimated the time needed for certain tasks, or you may get interrupted

KEY QUOTES

"All activities, regardless of their importance, consume your same limited store of time and attention."

"Shallow work...doesn't become dangerous until after you add enough to begin to crowd out your bounded deep efforts for the day."

by unexpected events. You can (i) revise your schedule, (ii) create conditional time blocks to be used differently depending on how earlier events unfold or (iii) create time blocks for contingencies.

- The goal is not to follow the schedule rigidly but to get better at estimating your time requirements and to be deliberate about how you spend your time.

Quantify depth. Assess how deep every activity is by asking: "How many months would it take to train a smart, fresh college graduate to complete this task?" Tackle the activities progressively down the deep-to-shallow scale.

Set a quota for shallow work. Ask yourself: what percentage of my time should be spent on shallow work? For most non-entry level jobs, the range should be between 30-50%.

- Stick to the quota so you'd (i) reject some shallow work to free up time for higher-value deep work and (ii) become more selective with your shallow work.
- If you're an employee, discuss this quota with your boss. If your boss doesn't believe in the need for deep work, then it's a sign that your job may not be ideal for long-term career growth.

Artificially limit your work hours. Instead of extending your work hours to fit the workload, fix your work schedule (e.g. don't work beyond 5pm or 5.30pm). Work backward to fix the rules and habits needed to complete your goals within the available time. You'll be forced to turn down unessential tasks and requests which you may otherwise have accepted. Newport calls this "fixed-schedule productivity".

Take control of your emails. Don't be overly accessible.

- *Make the sender work harder*. Don't offer general-purpose emails on your website. Use a sender-filter: list down different email addresses for specific purposes and set expectations on if/when you'll respond, e.g. "We welcome interesting proposals that meet the following criteria. We'll only be responding to shortlisted proposals." This frees you from the obligation to reply to every single message.

KEY QUOTES

"The shallow work that increasingly dominates the time and attention of knowledge workers is less vital than it often seems in

- *Invest time to craft a concrete email*. Resist the urge to send quick/vague replies or open-ended questions like "Thoughts?" Pause to consider the project involved and how you can bring it to a successful close with the minimal messages. Then, craft a process-centric email that describes the process you've identified, specifying clearly the next step(s) to take. Ideally, aim to close the loop in 1 email.

- As a rule of thumb, *don't reply to emails* that (i) are ambiguous or hard to give a straightforward response; (ii) are irrelevant to you, or (iii) have no good/bad outcomes regardless of your reply.

Conclusion and Other Details in the Book

Deep work involves hard work and massive changes to your work habits. However, by going deep, you can drastically improve your levels of productivity and fulfillment to become much more valuable in the modern economy.

In the book, Newport shares many of his personal experiences, observations and other references to support his theories and recommendations. For more details, please visit calnewport.com/books/deep-work/.

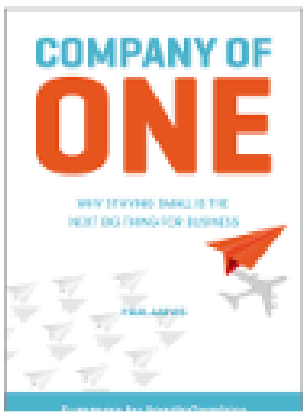
About the Author

Dr. Calvin Newport (born 1982) is an author and associate professor of computer science at Georgetown University. He completed his undergraduate studies at Dartmouth College and received a Ph.D. from MIT in in computer science. He spent 2 years as a post-doctoral associate at the MIT before joining Georgetown University as an assistant professor of computer science.

Dr. Newport also runs a blog, Study Hacks, which focuses on academic and career success. He's an advocator of "deep work" and "digital minimalism".

KEY QUOTES

"To leave the distracted masses to join the focused few...is a transformative experience."



COMPANY OF ONE

Why Staying Small Is the
Next Big Thing for Business

PAUL JARVIS

The Big "So What"

Growth isn't always good. In fact, growing for the sake of growing can hurt a business. This book challenges traditional ways of thinking about business and work, and shows why being small can be a goal in itself. A Company of One isn't just for freelancers and entrepreneurs—the insights can be used for anyone who wants to design their work to support their desired lifestyle.

Introduction

When we think of business, we tend to assume that bigger is better. The default is to keep adding *more*—more customers, more employees, more products etc. But, what if you can spend/do less and have more time, money and freedom to live the life you want?

A Company of One represents a different mentality that allows you to reap the benefits of a large company—including revenue, autonomy, fans, and enjoyable experiences—without the costs and burdens of one.

- *Company of One ≠ freelancing*. Freelancers exchange time for money, whereas a Company of One brings in sustainable revenue in a way that serves your life goals.

- Anyone—be it an entrepreneur or a corporate leader—can adopt the *mindset/model* of a Company of One to build a lean and agile setup that can survive in any economic climate.

The book is organized into 3 sections, which we've condensed into 2 parts in this summary.

KEY QUOTES

"Not all growth is beneficial, and some growth can actually reduce your resilience and your autonomy."

Part 1: Become Better, not Just Bigger

Bigger isn't always better

Growth is often used to measure business success. When a company does well, it tends to hire more people, build more infrastructure, expand its customer base and product range. However, growth isn't always beneficial.

- A company focused on growth may invest heavily in advertising, a sophisticated website and mobile app. It must now hire a big team to manage the ads and website/app, then add systems and people to manage the team. As expenses continue to rise, it's forced to keep growing its revenue in a *vicious cycle*.

- Starbucks lost money when it tried to expand into CDs, fancy drinks and sandwiches. In the end, they had to scale back, close hundreds of stores and *refocus* on what they did best—coffee.

Unchecked growth is also a key factor behind startup failures. The Startup Genome Project found that 74% of high-growth tech startups failed because they scaled up too rapidly. Pets.com was one of the rising stars during the dot-com boom. However, its rapid growth was fueled by aggressive marketing—in the 2nd quarter of 2000 alone, it spent $17 mil on an advertising campaign when its revenue was only $8.8 mil. The company ended up losing almost $300 mil. Flushed with cash from investors, many start-ups waste money on flashy offices, high-profile teams, sophisticated products and huge marketing campaigns, on the assumption they can make back the money later. It's no wonder the failure rate is so high.

Staying Small as an End-Goal

A Company of One is not anti-growth. However, it questions if growth is truly needed, and if so, how to grow

KEY QUOTES

"Growth, as a primary focus, is not only a bad business strategy, but an entirely harmful one."

"Running a business of any size is hard work. Having made it sustainable and profitable, whether it's big or small, should be something to be proud of."

with the same or less resources. Instead of growing for the sake of growing, it considers if and how growth can serve its end-goals.

Businesses may sometimes benefit from economies of scale. However in most cases, companies seek growth for 4 reasons, all of which can be served by staying small as a Company of One:

- You need more profits to *counter inflation*, though you need not grow big just to do so. By serving your existing customers better, you can gradually raise prices, then invest the extra profits to earn a rate of return that's higher than inflation.

- *Satisfying investors*: Investors typically expect ≥3x returns on their investment, which creates pressure for rapid growth. The solution is to start with the smallest version of your idea so you don't need extra funding, then expand only when you have enough profits to fund the growth.

- *Off-setting churn* or replacing customers who leave you: It costs about 5x as much to acquire a new customer than to keep an existing one. So, it's better to prioritize retention over acquisition.

- Most people start a business because they want a higher income and the flexibility to do what they believe in. Yet, they pursue growth ceaselessly to *satisfy their ego*, and end up being trapped in the business.

A bigger company may not be better, more stable or profitable. There's a growing number of businesses without employees that generate 6- or 7- figure revenues and can easily weather any economic storm.

- A corporation that earns $50 mil and spends $100 mil is less stable than one that earns $500,000 and spends only $50,000. During an *economic downturn*, companies with high overheads are more likely to retrench staff or even go bankrupt.

- Traditionally, a successful career means climbing the corporate ladder and managing a large team. This is changing as more people choose gig-based, remote work

KEY QUOTES

"Staying small and not focusing entirely on growth keep your own integrity and personality at the heart of the business, making it much easier to run your business or team in a way that suits you and helps customers."

"The current business paradigm teaches us that to make a lot of money or to achieve lasting success, we need to scale our businesses—as if larger businesses are less prone to fail or to become unprofitable (obviously not true)."

for more *flexibility and autonomy*. A Company of One can also be embedded in a large organization.

(i) It's similar to how an *intrapreneur* creates and markets new products using the company's resources, except a Company of One may or may not involve product creation. It can be as simple as a leader who defines and executes his own goals to increase value/output with existing resources.

(ii) In *Results-Only Work Environments (ROWEs)*, employees are free to manage their time so long as they deliver the results. Google lets its staff spend 20% of their work hours on projects outside their job roles—a practice which has led to more than half of Google's new products and projects.

- Even if your organization doesn't grow (or grows very slowly), you can still *grow your career* by going deeper or wider into your role:

(i) Increase your *scope of influence* or the impact you make within/outside your organization. For example, can your software code be used in more industries, or can you become the "go-to" person for a specific area?

(ii) As you become more skilled and experienced in an area, you can also increase your *ownership* in an area, e.g. propose and drive meaningful projects or run an entire function independently.

In fact, with modern technology, you can accomplish a lot with 1 person or a few people.

- You can use *prepackaged solutions* to automate sales funnels, drop-ship and even manufacture products without investing in expensive offices, IT systems and infrastructure. Need/Want managed to reach almost $10 mil revenue with less than 10 employees—they used Shopify (a prepackaged ecommerce solution), chose affordable online marketing channels, and outsourced their manufacturing, shipping and fulfillment.

- Instead of hiring full-time employees (which mean fixed salaries, benefits, office space and equipment), you can hire *freelancers/contractors* and pay only for completed

KEY QUOTES

work. Invest some time/effort to find A-players who share your values, and pay them a premium for above-average work. You'll probably find it much more enjoyable to work with a small team you trust.

In short, focus on what you can do now with existing resources to make the business **better, not just bigger**.

- Stop using growth as the only measure of success. Instead, consider *other meaningful indicators*, e.g. quality of customer relationships, resilience and happiness for you and your employees/customers.

- Don't just set a lower bound for your goals (e.g. "I want to earn at least $1mil"). Learn to also set an *upper bound*, i.e. the point where you start to experience diminishing returns on your profits or enjoyment (e.g. "I want to earn at least $1 mil but no more than $1.5mil"). In 1996, Southwest Airlines could have expanded to more than 100 cities, but it chose to serve only 4 new locations at a time. This upper limit helped them to stay profitable at a time when most airlines were losing lots of money.

KEY QUOTES

Leading a Company of One

A Company of One has 4 key traits:

- *Resilience* or the ability to bounce back from difficulties. This includes: (i) *accepting reality* so you can address it head-on, (ii) a *sense of purpose* that keeps you on-track, and (iii) the *ability to adapt* as circumstances change.

- A Company of One can give you more *autonomy and control* over your business/career. However, you must first invest the time/effort to master the required skills.

  (i) Entrepreneurs may be their own boss but slaves to their clients. They can only choose the ideal customers or projects after attaining a certain level of skills and experience. Likewise, employees in ROWEs are evaluated by results—the faster/better they work, the more they're rewarded.

"You have to be good at your skill set before you can expect to achieve autonomy from using it."

(ii) To develop good solutions, you must first understand the problem/domain well. To run a Company of One, you must become proficient in a range of skills, including sales, marketing, project management, relationships etc. You must learn how people and businesses work, including psychology, communication skills, resilience, and focus.

- *Speed*: People are typically more creative when they work under constraints. Basecamp has a 4-day workweek and encourages employees to enjoy their free time. When people develop smart solutions with less time and resources (in return for extra time and rewards), it benefits both the employees and the organization. This also builds the company's ability to adapt quickly to market changes.

- *Simplicity*: Instead of adding more, a Company of One rigorously simplifies processes and rules. If a business idea requires a lot of time, money or resources, it's probably too complex. Start with the simplest possible option, and only add new layers of complexity if it's absolutely required.

You don't need to be charismatic, dominant or an extroverted leader to run a Company of One. Regardless of your personality type, you can tailor your work/team to leverage your strengths. The author Jarvis is awkward around people, so he hires A-players who can work independently with clear parameters, and conducts online courses instead of live speaking engagements.

It's a myth that if you work for yourself, you must work twice as hard. Workaholism only leads to poorer mental, emotional and physical health. As a leader, you must set a clear direction, then use processes, systems and checklists to improve the speed/quality of your team's work. Balance between giving too little guidance (which leads to chaos) and too much guidance (which leads to over-reliance), and also balance between hard work and recovery by leading with self-awareness, empathy and gratitude.

KEY QUOTES

"By being smarter at getting more work done faster when you work for yourself, you can create a more flexible schedule that fits work into your life in better ways."

"For a company of one at any size, simple rules, simple processes, and simple solutions typically win."

"A leader's job is to provide clear direction and then get out of the way. Even companies of one require direction and set processes."

Part 2: Building & Maintaining a Company of One

Adopt the Right Mindset

To succeed as a Company of One, you need a clear purpose that guides your decisions and everything you say and do.

- *You can't fake your purpose*—it shows up in your choice of suppliers, customers and employees, your products/services, and how you allocate your time/resources. For example, Seventh Generation considers the impact of their products on the next 7 generations. This led them to create non-toxic plant-based cleaning supplies, and encourage people to line-dry their clothes (even if it reduced their dryer sheet sales).

- To *find your purpose*, take time to reflect on how to serve your clients in a way that meets your common values and desires.

Being passionate about something doesn't make you good at it. People who succeed in their areas of passion also meet 2 other criteria: they (i) are skilled in that area, and (ii) have rigorously tested their offerings in the marketplace.

- Don't blindly follow your passion. Start by getting really good at solving a problem and *helping others to succeed*. Chances are, you'll end up developing a passion for what you do.

- *Build your foundation* before making the leap. For example, an engineer may start working on web-design projects outside his day job, and become a full-time web designer only after honing his skills and building a customer base.

Realize that a busier life isn't always better. There's always an opportunity cost: each time you say "yes" to something, you're saying "no" to something else. You also lose precious time whenever you switch tasks or get distracted.

KEY QUOTES

"How you think about work is important to how work gets done."

"Your purpose is the lens through which you filter all your business decisions, from the tiny to the monumental."

"Passion isn't the catalyst that creates success, but more often what develops after success is achieved."

"In saying no to anything that doesn't fit, you leave room to say yes to those rare opportunities that do fit—opportunities that align with the values and ideas of your business."

- Do a *productivity audit* 1-2x a year to take stock of how you're spending your time. Are you wasting too much time on emails, chats and random meetings?

- Get clear on your priorities, then become adept at *single-tasking*, i.e. to focus deeply on 1 task for a period of time.

- Challenge yourself to get the same amount of work done in half the time. Adopt sound *productivity habits*, e.g. prioritize time daily for focused work, create a stop-doing list, and batch similar tasks (say, handle all your calls and social media in 1 afternoon).

Launch and Iterate with Baby Steps

A new product idea involves many assumptions about what your customers want/need, how well your solution works, what's the ideal price-point etc. Release the smallest possible version of your idea so you can start to test your assumptions, learn what works and doesn't, and start earning money instead of spending it.

- Don't try to perfect a product before launch. For example, instead of creating a complete online course, try *testing it as a service* in the form of a 1-1 consultancy. This allows you to start making money while getting feedback to improve your solution.

- Being *small and obscure* initially is actually an advantage. It allows you to test and refine your approach quickly, with minimal repercussions when you fail (which you will).

Your goal is to attain Minimum Viable Profit (MVPr) asap. Instead of spending money upfront in hope for potential profits, aim to achieve realized profits *now*.

- Once you start to make profits (however small), you can *invest the profits* back into the business to generate even more profits. With each iteration, you can improve the solution and increase your MVPr.

- You achieve the *minimum MVPr* once you make enough money to cover the salary of the owner(s), and can start to spend on additional hires or resources. Your business

KEY QUOTES

"Starting out small is the best time to learn what your business truly is and why it serves who it serves."

"By starting out small, a company of one can put all of its energy into solving problems for real people rather than into growing large enough to maybe solve problems for people one day."

"Every minute you spend getting set up and started is a minute when you aren't making money."

"Scale it down to what can be done right now, on the cheap and fast, and then iterated upon."

becomes *viable* when the MVPr grows to the point where it can support the owner(s) and have enough left over to fund business improvements.

- In short, you're forcing yourself to come up with creative solutions that can be executed with minimal resources, then learn and earn on the way. The growth will be *slower but much more sustainable*.

Launching is actually a recurring process. You should continually collect feedback, improve your solution and adjust your strategy instead of sticking to a fixed plan. This will help you to stay agile and adapt quickly to market changes.

Leverage Scalable Systems

Scale up without getting bigger. Use scalable systems that allow you to keep your team lean and focused.

Creation: Consider how you can make your products more impactful without necessarily selling more. For example, Arthur & Henry measures success using sustainability: they encourage customers to wear their clothing longer (e.g. rolling up frayed sleeves when the clothes get older), focus on steady revenues and minimizing environmental damage.

Consider how to scale your connections with stakeholders without scaling up your business. For example, it takes the same amount of effort to send an email or newsletter to 1 person vs 5,000 people. The key is to automate the process so the right message reaches the right person at the right time. Keep using market tests and A/B tests to improve your positioning, personalization, and segmentation. You can also automate other processes (e.g. onboarding and project management) using emails, videos and FAQs.

Consider how you can use technology to facilitate collaboration. Instead of insisting that your employees respond immediately to all messages (which can be distracting and unproductive), limit real-time communication to time-critical matters or pre-scheduled collaboration (like brainstorming sessions or hackathons). This allows people to stay connected while still having the time to focus on important work.

KEY QUOTES

"Launching isn't a one-time, singular event, but a continual process of launch, measure, adjust, repeat."

"Working for yourself doesn't necessarily mean working by yourself."

Stand out with your Unique Personality

Every brand has a personality that's determined by what it says and does, e.g. Harley-Davidson connotes rebelliousness, and Snapchat connotes youth and freshness.

- If you don't design your brand personality, your audience will assign one for you. In a Company of One, your brand should reflect an *authentic, distinct aspect* of who you are and who you serve.

- The best way to capture people's attention is to fascinate them by being unusual, quirky or interesting. Don't be afraid to *make a stand* or to be different. You may alienate people who don't resonate with your viewpoint or personality, but you'll also win the support, loyalty and advocacy of others who believe in what you do and why. On the other hand, if you try to appeal to everyone, you'll end up appealing to no one.

Use polarization to spark debate and create visibility without costly advertising:

- *Placation*: Try to win over people who dislike or hate you, e.g. General Mills created low-carb, gluten-free cake mixes to address concerns over obesity and gluten sensitivities.

- *Prodding*: Antagonize your haters to sway neutral parties over to your point of view.

- *Amplification*: Play up a specific characteristic, e.g. Marmite knew that people either loved or hated its unique taste, so they released "Marmite XO" with an extra-strong flavor that became a hit with their biggest fans.

Build Trust and Long-term Relationships

Every company needs 3 types of capital:

- *Financial capital*: Keep this as small as possible initially so that you can achieve your MVPr quickly.

KEY QUOTES

"While skills and expertise can be replicated, it's near impossible to replicate someone's personality and style."

"When you hoist your viewpoint up like a flag, people know where to find you; it becomes a rallying point."

"Brand personality needs to foster a two-sided relationship—one focused on not just how your businesses can benefit or gain something from others, but on how others can benefit from having a relationship with your business."

"This is the way to bank social capital: by starting a long-term and mutually beneficial relationship."

- *Human capital*: This is the value that you (and your team) brings to the business, and is derived from your skills and experience.

- *Social capital*: This is the perceived value that you offer. Relationships are like bank accounts—you can only withdraw what you've put in. Instead of asking "What can I sell?", ask "how I can help?"

It's easier to sell to someone who already has an established relationship with you. Unfortunately, companies obsessed with growth can get so caught up with acquiring new customers that they neglect existing ones. Companies of One should leverage on their small size to develop close, personal relationships with their clients.

- According to McKinsey, 70% of buying experiences are influenced by customers' feelings rather than logical considerations. When a customer feels special, or if he feels that you've gone out your way to help him, it creates a *strong emotional connection*. A service rep from RackSpace was on a call with a client when she overheard someone in the client's office saying he was hungry. So, she secretly delivered a pizza to the client's address. This story quickly became the talk of the town.

- Customers don't care if you're profitable. However, if you can *help them to be profitable and successful*, you'll quickly earn their loyalty.

In the end, building strong connections is about making your customers happy, so they'll stick with your brand and share about it. The only way to serve your customers well is to listen carefully, so you understand their needs, wants, problems and desires:

- One of 3M's divisions decided to actively use customers' ideas to drive their innovations. Within 5 years, the *user-led innovations* from that division were generating 8x the average revenue from other internally-led innovations.

- A *customer-centric mindset* should cut across all aspects of your business, from product design to delivery and after-sale service.

People are more likely to buy from those they trust. And, it's easier to build trust and engagement with a small, targeted

KEY QUOTES

"There's something quite memorable about a personal touch, or a business taking ownership of a problem and going out of its way to fix it."

"Customer success is the cornerstone of a profitable company of one."

"Customer happiness is the new marketing. If your customers feel that you are taking care of them, then they'll stick around and they'll tell others."

"Trust has to be totally baked into every aspect of not only what you sell, but how you sell and support it."

audience whom you understand and serve well. Remember: a customer who pays $10 a month and stays with you for 10 years is worth more than a customer who pays $100 once. On the contrary, a bad customer experience can spread quickly via online reviews and social media.

- According to Glen Urban, there are *3 aspects of trust*: (i) confidence ("I believe what you say"), (ii) competence ("I believe you can do what you say"), and (iii) benevolence ("I believe you're acting on my behalf").

- Instead of mass-marketing to get more likes and clicks, measure *trust and engagement* as meaningful predictors of long-term sales and success.

- Keep every promise that you make. When things go wrong, *take ownership of the problem* regardless of whether it's your fault. Seek to understand the situation, empathize with the customers, and apologize sincerely.

Teaching is one of the best ways to build trust and connection, so don't be afraid to teach everything you know.

- When you *teach your customers*, you can:

  (i) Establish yourself as the *domain expert* on a topic, so they're more likely to consider you when they make a purchase.

  (ii) Subtly *promote the benefits* of your product. For example, if you sell electric vehicles, you can share how electric vehicles save costs and reduce environmental damage, and also how your electric vehicles are different from competitors'.

  (iii) Help them to use your product/service successfully and share their *positive experience* more easily.

- People are often afraid that their ideas will be "stolen". In reality, ideas alone are worthless. True value comes from great execution. Facebook is basically an improved version of MySpace, while Uber is an improved concept of the traditional taxi service. *Instead of protecting your ideas, get better at executing them*. As you teach and share your ideas, use the valuable feedback to refine/improve your solutions.

KEY QUOTES

"Trust happens first. Only then does the commerce follow."

"To stand out and build an audience as a company of one, you have to outteach and outshare the competition, not outscale them."

"Ideas aren't a valid currency. Execution is the only valid currency in business."

Word-of-mouth is an important way to gain trust. According to Nielsen, 92% of consumers trust friends' or family's recommendations more than advertising. To convert your customers into advocates:

- Ensure you have a *good product and customer service*.
- Offer *incentives* (e.g. small discounts, exclusive benefits, access to premium features) for both the referrer and purchaser.
- *Reward loyalty*.
- *Follow up* with clients after they've had the chance to experience the product benefits. This allows you to collect success stories, identify additional services they may require from you, and get them to refer your services. For example, 1 week after a purchase, you can ask customers to rate their satisfaction on a scale of 1-10. Then another week later, send a follow-up email to those who had given a rating of ≥7 with an incentive for them to share their experience.

KEY QUOTES

"Making money is often easier than earning trust, because money can be lost and won back without judgment, whereas trust is hard to regain once it's lost."

Starting your own business

Starting a business isn't for everyone. To succeed, you must be willing to set aside your ego and learn different things from HR to accounts, product development, sales and marketing.

Before you make the leap, build your skills and customer base on a part-time basis first. As you set up your business, consider how you can minimize expenses and use your time optimally to achieve MVPr asap. Set up your business as a separate *legal* entity so you're protected from personal liability, and get find a good accountant who can advise you on financial laws and taxes. Plan for adequate income, savings, investments, and design your business to achieve your desired lifestyle. Remember: your business should work for you and not vice versa.

"Working for yourself requires ego and purpose in equal measure."

TOOLS OF TITANS

The Tactics, Routines and Habits of Billionaires, Icons, and World-Class Performers

Tim Ferriss

The Big "So What"

In this book, Tim Ferriss compiles valuable insights from top performers and experts from "The Tim Ferriss Show", as well as tools and strategies that he has tested himself. The book includes a wide range of advice on health, productivity, and success, to help you craft the life you desire.

Introduction: Learning from Others' Successes

At times, we feel stuck and need **inspiration or guidance** to move forward. Success often comes from learning from those who excel in your field or have achieved what you aim to accomplish. This book is based on two key principles:

- The iconic figures we admire might seem larger than life, but they struggle with challenges too. They achieve phenomenal results by *maximizing 1-2 unique strengths*, and building habits around them.
- We, too, can succeed by adopting *relevant, field-tested beliefs and habits*. Every achievement, no matter how groundbreaking, has parallels in history that we can learn from.

This book is a collection of **success recipes** from >100 high-performing individuals or "titans" who've achieved significant successes in their field. They include entrepreneurs, athletes, creators, tech investors, and more. Each titan shared his/her insights on health, wealth, life philosophies or other wisdoms. In this summary, we have distilled the key insights and re-organized them into 3 parts:

KEY QUOTES

"Most "superheroes" are nothing of the sort. They're weird, neurotic creatures who do big things DESPITE lots of self-defeating habits and self-talk."

- *Health and wellness including*: physical training, atheletic mindset, nutrition, mental well-being, rest and recovery;
- *Personal and professional growth* including: mindset, performance optimization, creative processes, and career development; and
- *Business and investment strategies*, including: business insights, success principles, digital security, and investment.

Part 1: Health and Wellness

Training, Recovery, and Injury Prevention

Amelia Boone, known as the "Michael Jordan of obstacle course racing," shares techniques for **maintaining peak physical condition**:

- To increase *hamstring flexibility*, roll your foot over a golf ball.
- For *connective tissue repair and endurance* mix hydrolyzed gelatin with beetroot powder.
- For *recovery*, use a RumbleRoller for deep tissue massage and the Concept2 Skierg for lower-body recovery.
- For *tight muscles*, use dry needling as a more intense alternative to acupuncture.

Dr. Rhonda Patrick, leading researcher in aging, cancer, and metabolism, shares insights on **proactive health practices**:

- Use extracted teeth for *stem-cell banking*. The dental pulp stem cells can be used for future treatments like repairing damaged tissues or traumatic brain injuries.
- Use hyperthermic conditioning (e.g. sauna sessions or hot baths) to increase growth hormone levels and improve endurance. Amelia Boone also adopts this practice.

The **Wim Hof Method** can be used to improve physical performance, health, fat loss, and mood elevation.

KEY QUOTES

"Don't overestimate the world and underestimate yourself. You are better than you think. And you are not alone."

"Give me six hours to chop down a tree and I'll spend the first four sharpening the axe."
—Abraham Lincoln

- *Cold exposure* can improve immune function, increase fat loss, and elevate moods. Start with 30-60 seconds of cold water at the end of showers, gradually advancing to ice baths. Alternate between heat and ice baths for additional benefits.

- Use this *breathing technique* to enhance physical performance.

  (i) Do about 40 reps of this exercise: Inhale to the max (your chest rises), then exhale fully (your chest drops sharply).

  (ii) After 20-30 reps, you might feel slightly light-headed. On the last cycle, breathe in completely, exhale completely. If you performed a physical activity now (e.g. pushups), you will experience a sharp improvement in performance.

Christopher Sommer, a former U.S. National Team gymnastics coach, shares tips from his **Gymnastics Strength Training (GST) system**:

- *Focus on the weakest areas* (e.g. shoulder extension and thoracic spine bridging) for the biggest improvements.

- Use *vibratory tools* (e.g. Hitachi Magic Wand) to relax hypertonic muscles.

- Focus on "*eat and train*" over "diet and exercise."

- Go for *consistent effort over time* over high-intensity training.

- Include both *passive flexibility* (stretch muscles to their maximum length for overall flexibility) and *active mobility* (move through a full range of motions) in your training.

Pavel Tsatsouline, a renowned strength coach with a background in Soviet special forces training, shares tips to **enhance endurance, mobility, and physical prowess**.

- Increase *strength-to-weight ratio* by focusing on heavy weights, and low reps (2-3 sets of 2-3 reps) during training.

- Improve *endurance* using the breathing ladder technique for

KEY QUOTES

"All the problems I have in the daily world subside when I do [cold exposure]. Exposing myself to the worthy cold . . . it is a great cleaning purifying force."

"Achieving the extraordinary is not a linear process. The secret is to show up, do the work, and go home."
—Coach Sommer

rest periods (e.g. 1 breath after 1 burpee, 2 breaths after 2 burpees).

- Boost *strength and mobility* with daily one-arm swings, Turkish get-ups, and goblet squats.

- To improve *strength and endurance*: Do half the maximum possible reps throughout the day (e.g. if your personal best is 8 pull-ups, then do sets of 4), with ample rest (at least 15 min) between sets.

- For *flexibility and strength*, add kettlebell windmills to regular training.

Dr. Kelly Starrett, founder of San Francisco CrossFit and a renowned performance coach, touches on **mobility and functional movement**:

- To *prevent hyponatremia* common in marathon runners, add salt to water.

- To *test your mobility*: (i) do a full squat with feet and knees together (to assess hip and ankle mobility), and (ii) do an overhead squat to check trunk stability (leaning forward indicates instability.)

- Do *daily mobility exercises* like cow stretch, lunges, and rolling a medicine ball on the gut before bed.

Athletic Mindset

It takes time to build strength and achieve top performance. **Be patient** and set realistic expectations.

- *Embrace frustration* as part of the process towards excellence.

- Focus consistently on achieving a *single, clear goal*, rather than get bogged down by small decisions.

- Celebrate both victories and lessons from defeats. *Appreciate the process*, not just the outcome.

Paul Levesque (aka Triple H), a WWE Champion and Executive, shares various **success tips and mindsets**:

KEY QUOTES

"Try a few of my favorite exercises, and you'll quickly realize that gymnasts use muscles you didn't even know you had."

"Frustration is a matter of expectation."
—Luis von Ahn

- It's not enough to set goals. You *must have a plan* to transform vague dreams into achievable objectives.

- To enhance any skill or performance, *focus on your strengths* while concurrently minimizing your weaknesses.

- Before a contest, relax and *focus on the present moment*. Worrying won't change your level of preparedness.

- To *combat jetlag*, he engages in immediate physical activity upon arrival at a destination in a different time zone.

Diet, Nutrition and Supplements

Dominic D'Agostino, a specialist in metabolic therapies, ketogenic diets, and ketone supplements, shares about **the ketogenic diet**:

- The ketogenic diet is a high-fat diet that induces ketosis—where the brain/body use ketones from fat for energy instead of glucose. *Benefits* include fat loss, anti-cancer effects, improved oxygen use, and strength maintenance.

  (i) Ferriss uses a high-fat, low-carb, moderate-protein diet to maintain ketosis. He recommends supplements like MCT Oil Powder, bone broth, idebenone, magnesium, and BCAAs.

  (ii) Paul Levesque also follows a ketogenic diet. His daily routine includes a special "Frappuccino" made with whey protein, coffee, ice, and macadamia nut oil.

- *Periodic fasting* (1-3x a year) can purge precancerous cells, reboot the immune system, and treat conditions like Lyme disease.

- For *aggressive cancers*, D'Agostino suggests combining a ketogenic diet, intermittent fasting, ketone supplementation, metformin, and dichloroacetic acid (DCA) .

- Patrick Arnold, known as the "father of prohormones," suggests *ketone supplementation* for body recomposition and energy during workouts. Both Arnold and D'Agostino

KEY QUOTES

"A dream is something you fantasize about that will probably never happen. A goal is something you set a plan for, work toward, and achieve."
— Paul Levesque

mentioned *metformin* for its potential anti-aging and anti-cancer effects.

Peter Attia, known for his work in performance enhancement and longevity, combines **intermittent fasting and ketosis**.

- He often skips breakfast and also cycles into *nutritional ketosis* weekly for cognitive and physical benefits.
- During ketosis, he monitors *markers* like CRP, uric acid, homocysteine, and LDL particles, adjusting his diet with monounsaturated fats if necessary.
- Attia recommends taking *targeted supplementation* based on personal needs—such as magnesium, low-dose lithium, and occasional calcium carbonate—rather than multivitamins .

Charles Poliquin, a strength coach who has trained many elite athletes, shares tips for **optimizing nutrition and metabolic health**.

- Match *carbohydrate intake* with body composition and physical activity. For example, those with sub-10% body fat can consume significant carbs post-exercise, while others should maintain a high-protein, low-carb diet. To prevent food intolerances, adopt dietary consistency and variety.
- Poliquin suggests the use of *supplementation* such as gotu kola for loose skin or stretch marks, and magnesium supplements for different tissues and anti-aging properties.
- To monitor and improve *metabolic health*: regularly check fasting insulin, fasting glucose, reactive insulin test, and HbA1c levels.

Happiness and Mental Well-Being

All the top performers Ferriss interviewed engage in **meditation or some form of mindfulness activities**. For example:

- *Arnold Schwarzenegger* practiced Transcendental Meditation for a year to manage anxiety, improve focus and mental clarity.

KEY QUOTES

"What you put in your mouth is a stressor, and what you say—what comes out of your mouth—is also a stressor."
—Charles Poliquin

- *Ed Catmull* practices daily vipassana meditation for 30-60 minutes, which has contributed significantly to his well-being.

- *Sam Harriss* experienced a transformation during his first 10-day vipassana retreat. He recommends "sky meditation," meditating outdoors and looking at the sky to clear the mind.

- *Justin Boreta* includes Transcendental Meditation and outdoor kettlebell swings in his morning routine (similar to Ferriss).

- Others enhance focus or creativity by listening to specific types of *music* on repeat. Ferriss combines music with muted films during writing sessions for focus and creativity.

Chade-Meng Tan, a well-known figure at Google and a leading voice in **mindfulness**, shares several practical tips:

- Do *short mindfulness sessions* (3-5 minutes) multiple times a day, and take *1 mindful breath daily*.

- For support and accountability, engage in a 15-minute *reflection discussion* with a mindfulness buddy.

- Two of *Ferriss' favorite mindfulness exercises* from Tan are:

  (i) Focus on the end of each breath, sound, or thought to appreciate impermanence.

  (ii) Spend 10 seconds daily wishing for others' happiness to reduce mental chatter and enhance overall happiness.

BJ Miller, a palliative care physician, triple amputee, and health advisor, discusses various **healing techniques**.

- Use the *"Star Gazing" therapy* for existential reflection and to put trivial concerns in perspective.

- It can be therapeutic to *engage in simple activities* like listening to someone, baking, or immersing in art (such as Rothko's paintings and Beethoven's music).

Whitney Cummings (comedian, actor, writer, and producer) and Tara Brach (a renowned Buddhist teacher), share about **self-awareness and emotional wellbeing**:

KEY QUOTES

"We do not rise to the level of our expectations. We fall to the level of our training."
—Archilochus

"The wisdom of life consists in the elimination of non-essentials."
—Lin Yutang

"In order for art to imitate life, you have to have a life."
—Whitney Cummings

- *Avoid people-pleasing*, as it leads to neglect of personal needs.
- *Say "I love you"* before conversations to foster compassion.
- Use *equine therapy* to reflect and learn about oneself through interactions with horses.
- Don't suppress feelings like anger. *Acknowledge your emotions* to create personal growth and inner peace.
- *Embrace all parts of yourself*, including what's uncomfortable, for holistic self-understanding and acceptance.
- Tim Ferriss shares his own experiences with *depression and suicidal thoughts* during his time in university. He advises:

  (i) Call a hotline from suicide.org if you're contemplating suicide. Realize that your death won't make things better, but will devastate your loved ones.

  (ii) Use strategies like gratitude exercises and the "Jar of Awesome" to capture positive moments in your life. Write down joyful, exciting, or positive events and place them in the jar. This serves as a depository of your small victories and happy memories to tide you through tough times.

The **use of psychedelics** is also explored by several titan and experts.

- Martin Polanco (who specializes in psychedelics for addiction treatment) and Dan Engle (who focuses on regenerative health and peak performance) discuss several *types of psychedelics*, including: Ayahuasca for deep psychological exploration, 5-MeO-DMT for inducing mystical experiences, and Ibogaine for opiate addiction treatment.

  (i) Keep psychedelic experiences private initially, and share only with individuals who can support your healing journey.

  (ii) You can also consider flotation therapy, which provides intense sensory deprivation to offer mental health benefits comparable to mild psychedelic experiences.

KEY QUOTES

"Being deeply loved by someone gives you strength, while loving someone deeply gives you courage."
— Lao Tzu

"If something offends you, look inward...That's a sign that there's something there."
—Whitney Cummings

"Even if you 'feel' like no one loves you or cares about you, you are most likely loved, and you're most definitely lovable and worthy of love."

"The key is building fires where you can warm yourself as you wait for the tempest to pass."

- James Fadiman, a leading researcher in this field, discusses their potential for *psychological healing and self-discovery*.

  (i) Psychedelics like LSD and psilocybin can broaden consciousness, but they're illegal in many countries and can worsen mental health issues for some individuals.

  (ii) Fadiman suggests combining micro-doses for well-being, with occasional higher doses for deeper exploration. Have someone you trust to supervise the experience, and integrate any insights afterward.

Sleep and Relaxation

Jane McGonigal, PhD, a renowned researcher and game designer, found that playing visually-engaging games (e.g. Tetris) for 10 minutes before bed can help with **insomnia and negative visualizations**. The visuals occupy the brain's visual processing center, preventing unwanted images or cravings for several hours.

Ferriss shares other tools for **faster and better sleep**:

- *Prepare your mind/body* for sleep.

  (i) Try acrobasing with your partner (especially the Folded Lead position) to realign the femur in the hip.

  (ii) Decompress the spine through devices like Lynx Portable Back Stretcher, "Leg Love" stretch, Inversion Table.

  (iii) Shift your mind away from your troubles by playing 10 minutes of Tetris or watching an uplifting episode on TV.

  (iv) Take a pre-bed beverage or supplement.

- Create a *conducive sleep environment*.

  (i) Use a ChiliPad under your sheets to adjust bed temperature.

  (ii) Use a sleep mask, earplugs, or a white noise machine.

KEY QUOTES

"I've learned an important trick: To develop foresight, you need to practice hindsight."
— Jane McGonical

The opposite of play isn't work. It's depression.
— Dr. Stuart Brown

Part 2: Personal and Professional Growth

Philosophy and Mindset

Several military figures like Jocko Willink and Chris Fussel (former Navy SEALs) share tips on **discipline and mental toughness**:

- *Mental toughness is a choice*—you can persist simply by deciding to do so. Always have contingency plans in place.
- Willink's personal mantra is "*Discipline equals freedom*". You need structure and self-control for freedom and success.
- *Take full accountability* for your actions and environment.
- To *develop mental toughness*, push beyond perceived limits, share difficulties as a group, and confront fear deliberately. Joe De Sena (co-founder of the Death Race and Spartan Race) suggests pushing beyond perceived limits by taking on physically and mentaly demanding challenges (e.g. chopping wood or removing a metal I-beam from a river).

Ferriss suggests this approach to **overcome limiting beliefs**. Examine what each of your limiting beliefs has cost you and your loved ones. Acknowledge the pain they've caused, visualize their consequences, and *create new empowering beliefs*. For example, Ferriss changed his belief from "I'm not hardwired for happiness" to "Happiness is my natural state."

It's also important to **embrace vulnerability and discomfort**.

- Famous author Brené Brown advocates l*eaning in to your discomfort*, choosing courage over comfort in face of challenges, and embracing vulnerability to building trust. Know the difference between shame (which focuses on the self, e.g. "I am bad") and guilt (which focuses on behavior, e.g. "I did something bad").

KEY QUOTES

"If you want to be tougher, be tougher."
— Jocko Willink

"Discipline equals freedom."
—Jocko Willink

"I think that in order to truly experience the light and the bright, you have to see the darkness."
— Jocko Willink

"It's incredible what can happen when you stop driving with the emergency brake on."

"If I'm not a little bit nauseous when I'm done, I probably didn't show up like I should have shown up."
—Brené Brown

- Author and adventurer, Caroline Paul, sees fear as just one of many emotions and doesn't allow it to impede her. Instead, she focuses on *pride as a motivator for success*.

Ferriss also shares 2 **strategies for overcoming fear**:

- *Define the your worst fears* to realize they're less daunting than they seem. Write down the worst-case scenarios in detail—recognize they're unlikely to happen, and identify the steps you can take to mitigate any negative outcomes. Compare the costs of inaction with benefits of action.

- *Expose yourself to what you fear* in controlled doses to gradually reduce its impact.

Gain freedom and happiness by **living authentically and minimally**.

- Celebrated filmmaker and actor Kevin Costner learned that *letting go of others' opinions* freed him from external pressures and opened new possibilities.

- Kevin Kelly, a prominent figure in technology and futurism, encourages people to *create a unique path* rather than fit into existing roles.

  (i) He advises young people to spend the early parts of their life exploring, seeking peak performance and satisfaction. Leave productivity for later.

  (ii) Learn to live with minimal resources, to free yourself to explore and take risks.

Know yourself and **manage external influences carefully**.

- Philosopher and author Alain de Botton believes that success involves inner peace and simple pleasures in life. When you're *clear on your own goals and desires*, you become less vulnerable to others' opinions and distractions.

- Author and documentary filmmaker Sebastian Junger says that to define your *identity and purpose*, consider who you'd

KEY QUOTES

"To not do something because you might get injured is a terrible reason not to do something. We can get injured in anything."
—Caroline Paul

"I am an old man and have known a great many troubles, but most of them never happened."
—Mark Twain

"There is more freedom to be gained from practicing poverty than chasing wealth. Suffer a little regularly and you often cease to suffer."

"Productivity is for robots. What humans are going to be really good at is asking questions, being creative, and experiences."
—Kevin Kelly

"When people seem like they are mean, they're almost never mean. They're anxious."
—Alain De Botton

"The point of journalism isn't to make everything better. It's to give people accurate information about how things are."
—Sebastian Junger

die for and what you owe to the community. He believes that journalism's main goal is to present the truth, not to advance society.

- Naval Ravikant, an accomplished entrepreneur and angel investor, advises to *choose your circle wisely*, because your behavior and mood are influenced by the 5 people you spend the most time with. To avoid conflict, steer clear of conflict-prone people.

Ultimately, it's **what you do in the present moment** that matters.

- Kevin Kelley uses a death countdown clock to remind himself that life is finite, and to *focus on what's important in the present*.

- Serial entrepreneur, Hedge fund manager, and author James Altucher believes that *happiness and fulfillment* can exist without a single, overarching purpose in life.

  (i) Learn to say "no" without justifying or explaining.

  (ii) Avoid constant news consumption: adopt "selective ignorance" instead.

- Shaun White won multiple gold medals at X Games and the Olympics despite being born with a heart defect. He believes in *seizing opportunities* as they arise, and to focus on the present during a competition. One of his strategies for managing pressure is to set a mix of serious goals and silly goals.

- According to Naval Ravikant, in any situation, you have 3 choices: change it, accept it, or leave it. *Indecision leads to misery*.

Rolf Potts and Tim Ferriss also discuss perspectives on **travel, freedom, and self-discovery**.

- Wealth involves more than money or assets; it's also about having the time and freedom to explore and grow. Travel offers not just a change of scenery, but also a chance to challenge perceptions and habits, leading to self-transformation. Potts sees *vagabonding* as a philosophy—

KEY QUOTES

"Remember that you're going to die. It's a great way to remember to live."

"There is no way to happiness—happiness is the way."
— Thich Nhat Hanh

"Happiness is a choice that you make and a skill that you develop. You choose to be happy, and then you work at it. It's just like building muscles."
—Naval Ravikant

"Action may not always bring happiness, but there is no happiness without action."
—Benjamin Disraeli, former British Prime Minister

"Travel isn't just for changing what's outside, it's for reinventing what's inside."

to simplify your life, let go of the need for control, and focus on experiences over possessions.

- However, *you need to work*—both to fund your travels, and to prepare mentally and emotionally a life of discovery.

On the topic of **analyzing problems and making decisions**:

- Author and podcast host Stephen Dubner suggests approaching problems with an *open, analytical approach* (not just a moral perspective) to avoid biases.

  (i) Brainstorm as many ideas as possible, then rigorously scrutinize them to filter out the most robust ones.

  (ii) Use writing as a tool to explore new subjects and ideas.

- When predicting future trends, Kevin Kelly advises to list down what others think is true, then brainstorm the implications if it isn't true. Share ideas freely and *only keep the ideas that persist*.

KEY QUOTES

"Work is how you settle your financial and emotional debts—so that your travels are not an escape from your real life, but a discovery of your real life."

"Let's come up with as many ideas as possible, and then put them under scrutiny, and basically try to kill them off, and if they were unkillable, then we'd keep going with them."
—Stephen J. Dubner

Performance Optimization

Chess prodigy and learning strategist Josh Waitzkin finds it useful to apply **lateral thinking**—to study details in an area, then apply the lessons to solve problems in other areas. For example, he studied specific techniques in Brazilian Jiu-Jitsu, to uncover overarching principles that can be applied in different areas, such as fluidity, weight distribution, and movement efficiency.

"If you set your goals ridiculously high and it's a failure, you will fail above everyone else's success."
—James Cameron

World champion grappler Marcelo Garcia emphasizes the importance of **embracing your unique qualities**, and using language to shape perceptions and build resilience. See challenges as opportunities rather than setbacks.

"He who suffers before it is necessary suffers more than is necessary."
—Seneca

You need a **positive mindset** for performance and resilience.

- Tony Robbins is a famous performance coach who has influenced many high-profile individuals from Bill Clinton to Serena Williams, and Oprah Winfrey. He believes in *asking good questions* to shape our priorities and perspectives.

"Good questions are what open people up, open new doors, and create opportunities."

- He also emphasizes the importance of getting into a *positive state of mind* before you try to solve problems, make decisions, or strategize. This advice is mirrored by other titans, such as:

  (i) Actor BJ Novak, who advises putting yourself in a good mood before engaging in creative processes; and

  (ii) Tracy DiNunzio, who suggests adopting a "complaining diet" to stop complaining and develop positive thinking.

- The best way to stop suffering, Robbins says, is to focus on others with *loving kindness*. Suffering occurs when we focus on ourselves.

Use **morning routines** to set the right tone for your day.

- Ferriss shares his preferred practices to *start the day positively*:

  (i) Make your bed to create order and a sense of control.

  (ii) Meditate for 10-20 minutes to ground yourself.

  (iii) Do 5-10 reps of a physical activity (e.g. pushups) to energize your body.

  (iv) Drink "titanium tea" (black tea, green tea, turmeric, ginger, coconut oil) for an energy boost.

  (v) Journal for 5-10 minutes to organize your thoughts and set priorities. If you're feeling down, wake up an hour earlier to journal your top 3-5 anxieties. Identify 1 task that will make other tasks easier or irrelevant, and devote 2-3 hours to focus on it.

- Tony Robbins starts his day with a *"priming routine"* including:

  (i) A cold plunge or shower;

  (ii) Breathing exercises: 4 short inhales through the nose and 4 short exhales through the mouth; and

  (iii) Emotional priming: Take 3 minutes to focus on three things you're grateful for, 3 minutes to focus on a

KEY QUOTES

"The reason you're suffering is you're focused on yourself... Suffering comes from three thought patterns: loss, less, never."
—Tony Robbins

"Sometimes, you think you have to figure out your life's purpose, but you really just need some macadamia nuts and a cold fucking shower."

"The struggle ends when the gratitude begins."
—Neale Donald Walsch

higher power healing your mind/body/emotions/life, and 3 minutes to focus on what you'll accomplish today (visualizing and feeling as if they're already done).

Creativity and Media

Ferriss shares the **insights from many famous creators**.

- Scott Adams, creator of the popular Dilbert Comic Strip, *dissects humor into 6 elements*: naughty, clever, cute, bizarre, mean, and recognizable. Successful humor often combines ≥2 elements.

- Acclaimed author Paulo Coelho points out that *every story falls into 1 of 4 archetypes*: (i) a love story between 2 people, (ii) a love triangle between 3 people, (iii) a power struggle, or (iv) a journey. He advises novelists to *keep it simple*: to trust the reader's imagination rather than over-describing.

- Famous author, Malcolm Gladwell, often starts writing a book/chapter with multiple openings to *explore different angles*.

- Author and journalist Neil Strauss shares his *editing process*, which involves: (i) editing for himself (what he likes), (ii) editing for his fans (what they'd find helpful and enjoyable), and (iii) "hate-proofing" against what haters could criticize.

- Distinguished writer Cal Fussman shares how he was only given 2.5 mins to interview Mikhail Gorbachev, but managed to get 30 minutes by asking, "What's the best lesson your father ever taught you?" In interviews, always *go for the heart first*. If you can capture both their heart and head, you'll win people over.

  (i) Embrace silence to elicit thoughtful responses.

  (ii) Neil Strauss recommends sharing personal or vulnerable information first, so the interviewee is likely to reciprocate.

Storytelling and emotional resonance are more important than technical perfection.

- Acclaimed documentary filmmaker, Morgan Spurlock, shares how a *compelling story* outweighs perfect cinematography.

KEY QUOTES

"The world is changed by your example, not by your opinion."
—Paulo Coelho

"Trust your reader. Understand that he or she can fill the empty spaces. Don't over-explain."
—Paulo Coelho

"Don't waste your time on marketing, just try to get better."
—Mike Birbiglia

"Aim for the heart, not the head. Once you get the heart, you can go to the head. Once you get the heart and the head, then you'll have a pathway to the soul."
—Cal Fussman

"The technical part of any job is 10%. 90% is creativity."
—Robert Rodriguez

- Filmmaker and YouTube personality, Casey Neistat, shares how he *channels his frustration* into his projects.

- Alex Blumberg, co-founder of Gimlet Media, shares how to *ask the right questions* to draw out stories. Ask about:

  (i) The setting (including where, when, who, and what), e.g. "What did you do to..." or "Describe the time when..."

  (ii) Emotions, e.g. "How did that make you feel?"

  (iii) Details, e.g. "What did you learn from that?" or "Tell me more."

Authenticity is a crucial success ingredient in media. For example:

- *B.J. Novak* values authenticity over scripted jokes in comedy, since genuine content resonates more deeply with the audience.

- *Bryan Callen* emphasizes genuine skills and delivery in fighting and comedy. He also suggests exploring personal fears and aspirations to create relatable material in comedy.

- *Andrew Zimmern* says that authenticity is more important than playing a character.

- *Morgan Spurlock* emphasizes the importance of embracing one's flaws and experiences, and to seek self-support over external validation.

- *Glenn Beck* discovered the power of authenticity when he shared his flaws and mistakes which resonated deeply with his audience.

- *Jon Favreau* finds his humor emerging naturally when he's authentic.

- *Mike Shinoda* values artistic freedom, and would rather stick to his authentic style and miss out on certain opportunities, rather than conform to external expectations.

The titans also share various **ways to overcome creative blocks**.

KEY QUOTES

"Asking the right dumb question is often the smartest thing you can do."

"There is great security in insecurity."
—Bryan Callen

"It is so much less work just to be yourself."
—Andrew Zimmern

"Be willing to fail or succeed on who you really are. Don't ever try to be anything else."
—Glenn Beck

"Not accepting the norm is the secret to really big success and changing the world."
— Neil Strauss

- When Paulo Coelho is stuck, he *focuses inward* on his heart and soul for a solution, rather than relying on external research.

  (i) He says there's no need to capture every thought/idea—the important ideas will stick while the unimportant ones fade.

  (ii) It's normal to procrastinate. But once you commit to 30 minutes of writing, it often turns into 10 hours of deep work.

- Neil Strauss sees writer's block as a form of temporary performance anxiety. Just *write 2 pages a day*, regardless of quality, to build momentum and remove perfectionism. The is echoed by many other titans, like:

  (i) Rick Rubin, who advises artists to start with a ridiculously small step like writing 1 word; and

  (ii) Robert Rodriguez, who suggests to just start working (and let creativity follow) rather than wait for the perfect idea.

- Sebastian Junger suggests that writer's block often stems from *inadequate research*, not a lack of words.

- Reid Hoffman writes down problems before bed to let the *subconscious* work on them overnight, then tackles them first thing in the morning when the mind is fresh.

It helps to be supported by **effective systems and strategies**.

- Scott Adams says that to succeed, you can (i) become the best at 1 thing, or (ii) *combine multiple skills* in which you're in the top 25%. The latter is easier.

- *Focus on systems* (such as having a balanced diet and exercising daily), not short-term goals (such as losing 5kg in 3 months).

- *Use affirmations* to focus your mind on opportunities. Add your name for emphasis, e.g. "I, Scott Adams, will become a famous cartoonist."

- To *accelerate learning*, use the right learning modalities for you. For example, Ed Catmull finds it easier to listen than read poetry.

KEY QUOTES

"Occasionally, a good idea comes to you first, if you're lucky. Usually, it only comes after a lot of bad ideas.
— Alex Blumberg

"Writer's block is almost like the equivalent of impotence. It's performance pressure you put on yourself that keeps you from doing something you naturally should be able to do."
— Neil Strauss

"Losers have goals. Winners have systems."
—Scott Adams

"It's always the hard part that creates value."
—Seth Godin

To **expand your creativity and innovation**:

- Award-winning photographer and entrepreneur Chase Jarvis, encourages people to *be different (not just better)*. For example, he shared his journey of mastering photography at a time when it was unusual to share trade secrets openly.

  (i) Pursue varying interests to gain a richer, wider perspective.

  (ii) Choose high-value projects so you can work less and deliver top-quality output.

  (iii) Focus on amplifying your strengths (not on fixing weaknesses).

- Develop your *observational skills*, which are crucial to both art and science according to Ed Catmull.

- Essayist and cartoonist Tim Kreider recommends taking time out *to play, recharge, and daydream* for creativity and productivity.

- Acclaimed author, Cheryl Strayed, uses *writing prompts* for creativity and to explore her thoughts/feelings, writing continuously without self-editing to let her unfiltered thoughts flow. For example, explore a time when (i) you did the right thing, (ii) learned a painful lesson, (iii) experienced an irreplaceable loss, (iv) felt loved, (v) or chose to do or avoid something.

- Renowned filmmaker, Robert Rodriguez, made his first film on a minimal budget by *creatively using available resources* like a friend's ranch, a bar, a bus, and even a turtle.

  (i) Focus on your assets instead of your limitations. Use projects to test ideas.

  (ii) Document your daily life and ideas to build on past experiences.

  (iii) When making decisions or pitching ideas, start with "why" to communicate the purpose of your actions.

Ferris shares tips on dealing with **criticism and haters**.

KEY QUOTES

"How do you zig when everyone else is zagging?"
—Chase Jarvis

"I don't create art to get high-dollar projects, I do high-dollar projects so I can create more art."
—Chase Jarvis

"What artists do is they learn to see."
—Ed Catmull

"Idleness is not just a vacation, an indulgence, or a vice…it is, paradoxically, necessary to getting any work done."
—Tim Kreider

"Learn the rules like a pro, so you can break them like an artist."
—Pablo Picasso

"You have to act first before inspiration will hit."
—Robert Rodriguez

- *Focus on your supporters* and those who appreciate your work. Ignore the rest. Don't try to win over everyone, nor to change others' opinions.

- *Respond occasionally* to valid criticisms, using a simple acknowledgment, e.g. "Thanks for the feedback. I'm always looking for ways to improve. Meantime, I hope you find what you're looking for."

Professional Development

Master sommelier and entrepreneur, Richard Betts, recommends **hands-on experience and excellence** over formal education or accolades. He opted for kitchen work over culinary school.

- Peter Thiel, the co-founder of PayPal and Palantir and Facebook's first outside investor, also suggests more *diversity in learning and education*. Keep asking yourself questions like: What am I learning and why? Are there better ways to learn it?

Entrepreneur, musician, and philanthropist, Derek Sivers, advises young people to say "yes" to diverse opportunities early in your career to **broaden your experience**.

- Seek to learn at your own faster pace (rather than follow the standard educational route). As you become more successful, be more selective: accept only *opportunities that truly excite you*.

- Maria Popova advises that the best way to say "no" to irrelevant requests is simply not to respond. Instead of "following your dreams", discover your purpose through a blend of *conscious choices and chance discoveries*.

- Innovator Chris Young, points out that the majority of jobs in the future probably don't even exist today. The best way to build a strong foundation is to do *what you're interested in and excel in* it. Maintain high standards; never release sub-standard work.

Prominent philosopher Will MacAskill believes that true satisfaction comes from **mentally-engaging work** that offers variety, growth, autonomy, and meaningful impact.

KEY QUOTES

"The millions or billions who don't get it don't matter. Focus on the few who do."

"Living well is the best revenge."
—George Herbert

"Life is a continual process of arrival into who we are."
—Maria Popova

"Whenever you find yourself on the side of the majority, it's time to pause and reflect."
—Mark Twain.

"You can do everything you want to do. You just need foresight and patience."
—Derek Sivers

"If you're looking for a formula for greatness, the closest we'll ever get, I think, is this: Consistency driven by a deep love of the work."
—Maria Popova

"The interesting jobs are the ones that you make up."
— Chris Young

- Investor Chris Sacca emphasizes *being proactive and immersing yourself in meaningful activities*. For instance, he expanded his role at Google by showing up at high-level meetings, offering to take notes, and making himself indispensable. Gradually, he became an integral part of important discussions.

Part 3: Business and Investment

This section features insights from many successful entrepreneurs, investors, venture capitalists, authors, and Silicon Valley icons.

Entrepreneurship and Business Strategy

A **simple, consistent business model** can be effective and profitable.

- For example, Derek Sivers' *CD Baby* thrived on this simple model for 10 years—charging a $35 setup fee and $4 per CD sold.

- Seth Godin suggests starting on a *smallest viable scale*, validating it with a handful of people, then growing from there.

Balance commitment with flexibility—hold strong views, but be willing to adapt to new information.

- Marc Andreessen argues that Silicon Valley companies place too much emphasis on failure. Often, it's better to *persist with focused improvements*, rather than to pivot constantly.

- Peter Thiel also says that *failure is overrated*, since business failures come from many factors, making it hard to learn from them.

- Phil Libin, co-founder of Evernote and managing director at General Catalyst, found that companies change significantly at multiples of 3 and 10 (e.g. 1 to 3, 10, 30, 100 employees). It's vital to *keep adapting and reinventing yourself*.

Value-creation and originality are crucial in business.

KEY QUOTES

"Hold the standard. Ask for help. Fix it. Do whatever's necessary. But don't cheat."
—Heston Blumenthal

"I believe you shouldn't start a business unless people are asking you to."

"I have come to learn that part of the business strategy is to solve the simplest, easiest, and most valuable problem."

"They're never going to converge on anything because they're never going to put the time into actually figuring it out and getting it right."
—Marc Andreessen

"The danger of maps, capable assistants, and planning is that you may end up living your life as planned. If you do, your potential cannot possibly exceed your expectations."
— Scott Belsky

- Peter Thiel advises not to follow technology trends or others' footsteps. Instead, *create value with a unique mission* by asking: "What problem do you face every day that nobody has solved yet?" If something is worth doing 5-10 years later, why not do it now?

- Marc Andreessen lives by *2 rules*: (i) be so good that others can't ignore you, and (ii) focus on creating and building things.

- Alexis Ohanian emphasizes the need to think big and pursue ideas that *challenge the status quo*. True innovation often defies old models, so it's important to understand past successes without being constrained by them.

- Reid Hoffman believes that business strategy should target the *simplest, most valuable problem*. Use the 80/20 rule to prioritize the highest-value activities that are the easiest for you to do.

- Peter Diamandis believes that to predict the future, you must *create* the future. *Aim for 10x improvements*, not incremental gains. Seek solutions that can impact billions of people.

- Eric Weinstein points out that innovations often come from *connecting different ideas*. Uncover existing weaknesses and biases by asking: What are their main sources of income? What are they afraid to admit?

- Chris Young suggests *asking questions* like: "If you had $100 million, what can you build that others can't copy? For every $1 of revenue you generate, can you cost an incumbent $5 to $10?"

Add a human touch, with empathy and emotional resonance.

- Alexis Ohanian advises to *focus on your customers*, and use humor to create connection and differentiate your brand.

- *Small details can have a big impact*, like how CD Baby's quirky thank-you email led to a jump in customer satisfaction and word-of-mouth marketing.

- *Compelling narratives* are often more persuasive than numbers or data for fundraising, selling, or recruiting.

KEY QUOTES

"You don't have to wait to start something. So if you're planning to do something with your life...you should ask: Why can't you do this in 6 months?"
—Peter Thiel

"If you set your goals ridiculously high and it's a failure, you will fail above everyone else's success."
—James Cameron

"I think of problems as gold mines. The world's biggest problems are the world's biggest business opportunities."
—Peter Diamandis

"The best way to become a billionaire is to help a billion people."
—Peter Diamandis

"Never forget that underneath all the math and the MBA bullshit talk, we are all still emotionally driven human beings."
—Chris Sacca

Both Tim Ferriss and Ramit Sethi adopt a similar approach to their content business, creating sustainable income by building deep relationship with a **small, dedicated fanbase**. They have a focused niche, but serve the mass markets in other ways.

- Provide most of your content for free, but *charge a premium for flagship solutions* for a small segment of your audience. A $100 profit from each of 1,000 fans means a sustainable income of $100,000 per year. In addition, you can attract high-paying opportunities like speaking engagements and consulting.

- Build *direct relationships* with your fans, and serve them with high-value, personalized offerings.

- Use *checklists* to streamline processes and ensure consistency.

Ryan Holiday also coined the "**Canvas Strategy**" to describe the idea of serving others to create your own path to success.

- Make others' lives easier by providing the canvas for them to paint on, or *clearing their paths to success*. This could mean generating ideas, doing what nobody wants to do, or removing waste. Make yourself indispensable to your team or organization.

- Set aside your ego and the need for recognition. Consider *serving as an apprentice* to successful people and organizations, as this is a great way to learn, build relations, and create opportunities.

Stand out with a **unique niche/brand or by being first**.

- *Convert perceived flaws into unique strengths*. For example, Arnold Schwarzenegger turned his size and build (seen as a flaw) into an asset in Hollywood. Dan Carlin turns his loud, passionate way of talking into his trademark podcasting style.

- Use *personal branding* to stand out, like how Chris Sacca was known for his trademark cowboy shirts in the tech world.

- To succeed in marketing, you don't always need to be the best in your field; it's better to *be the first in a unique*

KEY QUOTES

"'Success' need not be complicated. Just start with making 1,000 people extremely, extremely happy."

"True fans are not only the direct source of your income, but also your chief marketing force for the ordinary fans."

"The person who clears the path ultimately controls its direction, just as the canvas shapes the painting."

"If you want great mentors, you have to become a great mentee. If you want to lead, you have to first learn to follow."

"We can't out-obedience the competition. Therefore, we have to out-lead or out-solve the other people."
—Seth Godin

category that gives you a competitive edge. When launching a new product, ask, "What category is this new product first in?" If you're first in a new category, focus on promoting the category rather than just your brand—like how Ferriss established the term "lifestyle design" and anchored himself as the leader in this category with his book, "The 4 Hour Workweek."

- Prioritize aspects of business that directly impact *sales*, such as email lists instead of social media followings.

Matt Mullenweg always considers the **long-term impact** of his decisions 1 year vs 10 years from now. Entrepreneur and investor Bryan Johnson adopts a long-term perspective by asking: "What can I do that will be remembered in 200 to 400 years?"

- Reid Hoffman accepts a small error rate (10-20%) to make *fast, efficient decisions*. For major decisions, he prefers to have 1 one clear reason that can be validated later.

To find good ideas, **generate as many ideas as possible**.

- *James Altucher* writes down 10 ideas daily to strengthen his "idea muscle".

- *Scott Adams* generates ideas for his comics by clearing his mind then flooding it with ideas. As the ideas flow, he monitors his body for changes that signal if an idea is worth pursuing.

- *BJ Novak* suspends judgments to brainstorm "What if" scenarios, separating idea generation from execution.

Reid Hoffman and Matt Mullenweg share tips on **building teams**.

- Find *A-Players* who will examine and refine your strategies rather than blindly following them.

- Automattic thrives with a *fully-distributed team*, focusing on clear, text-based communication and minimal in-person meetings. They hire detail-oriented people who are passionate about their work and can adopt the desired communication style.

KEY QUOTES

"If you find yourself in a fair fight, you didn't plan your mission properly."
—Colonel David Hackworth

"If you can't come up with 10 ideas, come up with 20 ideas."
—James Altucher

"Once you get enough bad ideas, then some good ones have to show up."
—Seth Godin

- To *address bottlenecks*, Noah Kagan suggests asking yourself: "What are the things which, if slow or unusable, will hurt your productivity? Simple things like mouse speed and internet connection can improve your efficiency across the board.

Change your perspectives/stories to change your outcomes:

- Seth Godin believes that what you track affects what you focus on. *Track your successes and contributions* (not your failures and rejections). If you're struggling, ask how you can change the situation to make it easier. Use criticism as a source of motivation for improvement.

- Learn to handle both successes and losses with *equanimity*. Once, Matt Mullenweg lost a $400,000 cheque and spent months worrying about it, only to realize he had used it as a bookmark and forgot about it.

- *Don't undervalue your products*, says Marc Andreessen, since you can't sustain sales and marketing efforts with too-low pricing.

- Have a "beginner's mind" to spot overlooked issues or options. However, don't just look for new ideas; it's often more important to *execute existing ideas well*.

- Noah Kagan suggests the "*Coffee Challenge*"—to ask for a 10% discount on your next coffee—as a means to practice negotiation and overcome the fear of rejection.

Investment Strategies

Marc Andreessen spots exciting trends by observing what tech professionals are passionate about during their personal time. He emphasizes the importance of **stress-testing investment decisions** to minimize personal biases and blind spots.

Tony Robbins also highlights **4 traits of successful investors**: they (i) limit the downside, (ii) seek asymmetrical risks/rewards (to get huge rewards with little/no risk), (iii) diversify their asset allocations, and (iv) have a strong inclination to give back.

KEY QUOTES

"Sometimes you need to stop doing things you love in order to nurture the one thing that matters most."
— Scott Belsky

"Being an entrepreneur is being willing to do a job that nobody else wants to do, [in order] to be able to live the rest of your life doing whatever you want to do."

"It's not about ideas, it's about making ideas happen."
— Scott Belsky

Ferriss shares **additional investment tips**:

- Be clear on your *investment goals*. Balance financial returns with personal well-being, ensuring your investments contribute positively to your life instead of causing extra stress.
- *Diversify* investments to manage risk.
- *Timing is key*. Consider both market conditions and your personal readiness before investing. Know when to moderate and when to go all-in.
- Analyze your *fears and worst-case scenarios* to realize the actual risks are often lower than perceived.
- Tech investor Kevin Rose uses "*gut investing*" by combining emotional quotient (EQ) with due diligence. He uses gut feel for initial assessments of a new idea/product with limited data, but uses data-driven decisions in later stages when data becomes available.

To gain a **wider perspective**, study different or opposing investment philosophies. For instance, Andreessen focuses on technology and startups, but studies value investors like Warren Buffett.

Tracy DiNunzio points our that your first investment pitches are likely to be lousy, so **practice your first 10 pitches** with investors you don't intend to get funding from.

Both Tony Robbins and Warren Buffett stress the importance of **investing in yourself**. Robbins's best investment was a $35 seminar by Jim Rohn, while Buffett's best investment was a public speaking course by Dale Carnegie.

- Ferriss, inspired by this mindset, chose *hands-on experience* over an MBA. He used $120,000 (equivalent of 2 years' MBA fees) to invest in startups through angel investing. After learning from initial losses, he refined his strategy and achieved successful exits.

KEY QUOTES

"The first principle is that you must not fool yourself, and you are the easiest person to fool."
—Richard P. Feynman

"If you let your learning lead to knowledge, you become a fool. If you let your learning lead to action, you become wealthy."
—Jim Rohn

Digital Security

Cybersecurity expert, Marc Goodman, warns about how criminals and terrorists can **exploit personal information** shared on platforms like Google and Facebook, or even misuse genetic data to create personalized biological weapons.

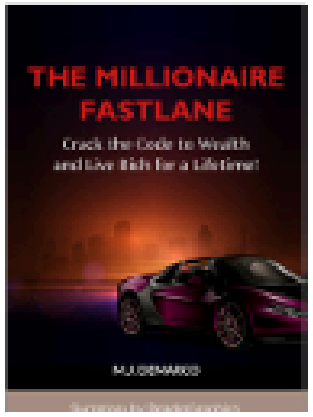
Famous computer hacker Samy Kamkar offers **digital security tips**:

- Use full disk *encryption* to protect device data;
- Use long and unique *passwords* for different sites; and
- Monitor *outbound connections* with network traffic monitoring tools to block unauthorized access and malware.

Other Details in the Book to Look out For

This book is written as a compilation of Ferriss' notes, ranging from interview snippets to personal observations, principles, step-by-step walkthroughs, trivia, and fun facts. We have extracted the practical tips from numerous titans and organized them into themes for easy reference. The book also includes other details like Ferriss' travel list and podcast equipment, examples of good music for creative/focus work, mnemonic techniques for memory recall, advanced digital security tips, how to raise money on Kickstarter, and more. For more details, please visit https://tim.blog/.

KEY QUOTES



THE MILLIONAIRE FASTLANE

Crack the Code to Wealth
and Live Rich for a Lifetime!

M.J. DEMARCO

The Big "So What"

Most of us are taught to get a good degree, get a good job, work hard, save, invest, and hopefully retire rich by 65. However, this is a flawed approach. In this book, self-made millionaire and semi-retired entrepreneur DeMarco presents the roadmap for anyone to become truly wealthy in ≤10 years.

Introduction

Retiring Young and Rich: DeMarco's Journey

Unlike most people, DeMarco didn't climb the corporate ladder after graduation. Instead, he pursued the entrepreneurial route and retired at 33 years old.

- When DeMarco was a teenager, he met a young inventor driving a Lamborghini. He realized that it was possible to get rich young, and started to research self-made millionaires who were (i) <35 years old, (ii) didn't have extraordinary talents, and (iii) could live a truly lavish lifestyle (instead of scrimping and saving).

- After college, he was determined to get on the Fastlane. By 26, he had failed in several businesses, his girlfriend had left him, and he was broke and depressed. Meanwhile, his friends were advancing in their careers and his mum urged him to get a proper job.

- He decided to start afresh in Phoenix with just $900. While he was working as a limo driver, he got the idea to build a website to connect limo companies with potential clients.

KEY QUOTES

"There's a hidden road to wealth and financial freedom, a shortcut of blinding speed where you can achieve wealth in youthful exuberance over elder entropy."

"The Millionaire Fastlane [is] a complete psychological and mathematical formula that cracks the code to wealth and unlocks the gateway to the shortcut."

"'Retirement' doesn't have to happen when you're old and bent; it can (and should) happen while you're still young and vibrant."

He taught himself search engine optimization, graphic design, copywriting, and marketed his website aggressively with cold calls, emails, and snail mail. Gradually, he started to make hundreds, then thousands of dollars.

- As the business grew, so did the customer complaints. While DeMarco's friends were out having fun, he was working to resolve customer issues. In 2001, he sold the website for $1.2mil. However, business suffered under the new owners, and DeMarco eventually bought it back for $250,000. He refocused on customers, streamlined and automated the processes until the income continued to grow even when he worked less. In 2007, he sold the company for $8 million and retired at a relatively young age of 33.

The Road Trip to Wealth

Wealth creation is *not* an event. Behind every success, there's a long and often-arduous process. You may see an athlete being offered a $50mil contract, but you don't see the years of practice, failures and injuries. You may see a business being sold for $20mil, but you don't see the years of hard work, sleepless nights and rejections.

- The process of wealth creation is *exponential, not linear*. You may struggle for several years, only to see a sudden explosion in growth like what happened with DeMarco.

Becoming wealthy is like taking a road trip. To arrive at your destination, you need 4 main components:

- *Your roadmap* = The beliefs that guide your actions like a compass.
- *Your Vehicle* = You. Since your level of wealth depends on the person you become, you must personally drive the vehicle.
- *Your Roads* = Your financial pathways. There are many ways to make money as an employee, self-employed or business owner.
- *Your Speed* = Execution, or how rapidly you move from idea to implementation.

KEY QUOTES

"Old age is not a prerequisite to wealth or retirement."

"Millionaires are forged by process, not by events."

"Fast wealth is created exponentially, not linearly."

The 3 Roadmaps to Wealth

Your belief system is like a compass that guides your life. Your beliefs shape your choices, which in turn shape your outcomes.

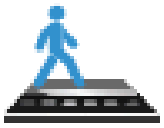
There are 3 financial roadmaps to wealth.

- Each roadmap comes with a different *belief system* that shapes how you think and act. These define your end-destination, perspectives about debt, time, education, money, wealth, responsibility and life in general.
- Each roadmap is also governed by a *mathematical wealth equation* that defines how you earn money and multiply your wealth.
- Of the 3 roadmaps, *only one allows you to retire comfortably*.
  - (i) People on the *Sidewalk* spend more than they earn. They sacrifice tomorrow for today's pleasures and end up living in poverty.
  - (ii) People on the *Slowlane* work hard for 50 years and hope they can save enough to retire comfortably. They end up living a life of mediocrity.
  - (iii) People on the *Fastlane* build businesses that satisfy 5 commandments (NECST), make millions within 10 years and create true wealth.

KEY QUOTES

"If you want to change your life, change your choices. To change your choices you must change your belief system."

"Whatever roadmap you choose, your universe for wealth creation will abide by each map's respective wealth equation."

	 Sidewalk	Slowlane	Fastlane
Wealth Equation	Wealth = Income + Debt	Wealth = Job + Market investments	Wealth = Net Profit + Asset Value
Destination	None. Live by the day.	Retire comfortably by 65	Lifetime passive income thru' business or investments
Life Perception	Live today. Don't worry about tomorrow.	Live frugally. Avoid unnecessary risks.	My dreams are worth pursuing. It helps to have money.
Debt Perception	Use credit for what you want now	Remove debt at all cost (including your time)	Use credit to build and grow a system
Time Perception	Spend time like there's no tomorrow.	Trade time for money. Hope to retire at 65	Time is the most valuable asset
Education Perception	Graduation = end of education	Education = a way to earn a bigger salary	Continually learn and grow your knowledge & awareness
Money Perception	Flaunt it if you have it. Don't bother saving.	Budget every hard-earned cent.	Money is a reflection of how much value you create.
Wealth Perception	Have as many "toys" as possible	Work → Save and invest → Repeat	Build business systems for cash flow and asset value
Main Source of Income	The best-paying gig right now	A job	Business systems and investments
Main Wealth Accelerator	Hope for a lucky break or windfall	Compound interest over 50 years	Create valuable assets, or add value to existing assets
Control and Responsibility	Victim mindset. Blame others.	No leverage or control over financial plan.	Take full responsibility for dreams and financial plans

The Sidewalk: Roadmap to Poorness

Sidewalkers live in the moment, maximizing pleasure now with no regard for tomorrow. They're governed by this equation: Wealth = Income + Debt.

- Their attitude to money is to "*flaunt it if you have it*". They spend all of their money on "toys" and don't bother to save.
- As a result, most sidewalkers have *low or zero net worth*. They don't have a destination nor a financial plan. They look for the highest-paying gig available, live from paycheck to paycheck, and borrow money to buy whatever they want.
- This roadmap leads to *poverty*, both in terms of time and money. Sidewalkers are always a step away from being broke, and can be derailed by a bump in the road (e.g. a recession, retrenchment).

Sidewalkers think of **wealth as an event**, e.g. winning the lottery or getting an inheritance. They seek to find lucky breaks or shortcuts, and get scammed into paying for "secrets" that promise easy money.

Instead of taking the driver's seat, they choose to hitchhike then **blame others** when they fail to arrive at their destination. To become wealthy, you must take responsibility and accountability.

- *Take responsibility* for your past/current actions, e.g. acknowledge that you lost your wallet because you carelessly left it on the table.
- Then, *be accountable* for your future outcomes, e.g. make sure you keep your wallet safely on your person in the future.

Sidewalkers equate wealth with **material possessions** such as ten-carat diamonds, seaside mansions, and exotic cars. Even if they earn a huge income, they still end up broke because they overspend on designer clothes, expensive hobbies and toys.

- *True wealth* doesn't come from material possessions. It comes from *familial relationships* (including friends, family, community, and God), *fitness* (including physical health,

KEY QUOTES

"Because the Sidewalk is about the short term, it never works for the long term. Your future becomes a mortgage for a pleasant present."

"Sidewalkers are ripe for swindling because they seek events and want to avoid process."

"You can't be a victim if you don't relinquish power to someone capable of making you a victim."

"Poor financial management is like gambling; the house eventually wins."

"Wealth is the ability to fully experience life."
— Henry David Thoreau

energy and vitality), and *freedom* of choice (i.e. the ability to freely pursue your dreams, manage your time and live as you wish).

- Own your possessions; *don't allow your possessions to own you*.

  (i) Being rich should give you more options, not less options. Use money to buy freedom and choices that make you happy. Don't entrap yourself with an extravagant lifestyle that forces you to keep working harder.

  (ii) You can truly afford something if you can pay for it in cash without any impact on your current and future lifestyle.

The Slowlane: Roadmap to Mediocrity

Slowlaners believe in the mantra: get a good job, save/invest 10% of your income, use compound interest to grow your money, and hopefully retire rich at 65. They're governed by this equation: Wealth = Job + Market investments.

- This plan requires you to work hard, live frugally, and sacrifice time today to have money 50 years later. In reality, there're *many factors beyond your control*, e.g. you may die early, lose your job, or encounter a market downturn just as you're about to retire.

You can't amass a large sum of money because you lack control and leverage.

- Your *job salary* = hourly wage x hours worked. As an employee, you can't control your company's financials. You can't get a 1000% pay raise no matter how well you perform, and market changes can easily render your job obsolete. You're also limited by 24 hours in a day.

- Your returns from *market investments* depend on compound interest = Invested Sum x $(1 + \text{Yield})^{\text{Time}}$.

  (i) To get rich from compound interest, you need to invest for a long period of time with good investment yields. If

KEY QUOTES

"Wealth isn't embodied in a car but in the freedom to know that you can buy it."

"The Slowlane is a lifetime wager that a sacrificial today will yield a wealthier tomorrow."

"Wealth is best experienced when you're young, vibrant, and able, not in the twilight of your life."

you earn $150,000 and save $7,500 a year, then invest it at 8% returns, you'll get $2 mil after 40 years (*if* you're still alive).

(ii) To get rich while you're still young, you need returns of 80% or 800% (not 8%). Unfortunately, investments rarely yield annual returns of >10% consistently.

The Slowlane leads to mediocrity. You end up trading your life away for money with little control or leverage.

- You can try to increase work hours, change jobs, advance your education, cut expenses, find better investments, or invest longer. However, there's a *limited upside* to how far you can improve your financial results. For example, you may take a $50,000 loan and spend 800 hours to get an MBA to increase your salary by 15%. However, this also means extra student loans which you must now work off.

- On the other hand, there are *huge downside risks*, e.g. a health crisis or economic recession can disrupt your financial plans.

- The only way to create massive wealth is to concurrently control expenses while having an "income explosion" through (i) fame (e.g. becoming a famous actor or entertainer) or (ii) becoming a top honcho (e.g. a CEO who gets millions in stock options). Most people in the Slowlane simply *get stuck in the middle*. In fact, being a millionaire today (i.e. having a net worth of $1 mil) only puts you in the upper-middle class. To live a truly lavish lifestyle, you need much more than $1mil.

The Fastlane: Roadmap to Wealth

This roadmap allows you to create huge amounts of wealth quickly because you have both control and leverage.

- Unlike the Slowlane (which is about having a job), the Fastlane is about having a *business system* so you needn't do everything yourself. Building a process isn't easy, but it's extremely rewarding. Remember: get rich quick ≠ get rich easy.

- The world is made of a minority of producers selling to a majority of consumers. Fastlane success requires you to *think like a producer*. Instead of buying products online, sell products online. Instead of having a job, offer jobs.

KEY QUOTES

"The Slowlane is predisposed to mediocrity because the numbers are always mediocre."

"When you perform an autopsy on the Slowlane you see its true colors: It's slow, it eats time, and it's risky."

"The toil of wealth is the process itself...the toil is the creation and management of the system itself."

"To consume richly, produce richly first."

- Producers are *innovators, entrepreneurs, creators and visionaries*. They create something valuable out of nothing, add value to existing solutions, and/or multiply it unlimited times. You can make millions if you're an inventor who patents a process and licenses it to Fortune 500 companies, a doctor who develops and sells an anti-aging treatment, or a marketer who builds and sells a successful website.

The Fastlane is governed by this equation: **Wealth = Net Profit + Asset Value**.

- *Net Profit* = Units sold x Unit profit. If you have a website, you can increase net profit by:

  (i) Increasing the number of units (by increasing your web traffic or your conversion ratio); or

  (ii) Increasing unit profit (by increasing prices or reducing costs).

- *Asset Value* = Net profit x Industry multiplier. Slowlaners and Sidewalkers buy/sell assets that depreciate in value, e.g. cars or designer clothes. Fastlaners buy/sell assets that appreciate in value, e.g. businesses, licenses, intellectual property, or patents.

  (i) Once you've built an asset (e.g. a business), the asset value is determined by the net profit multiplied by prevailing market conditions. A multiplier of 5 means that every increase in net profit increases your asset value by 5x or 500%.

  (ii) To accelerate your wealth, grow the value of your assets and sell them. Once you have a huge amount of money, you can convert it into a money system (e.g. lend out $10 million at 5% interest for $500,000 passive income per year).

- In short, Fastlaners don't use *compound interest* to build wealth. They create and sell assets to build wealth, then use compound interest to increase their income and liquidity.

Growing a Fastlane business is about building business systems that can run on their own, like a money tree that generates passive income.

KEY QUOTES

"Fastlaners accelerate wealth by building cash-flowing assets that can be sold in the marketplace to realize gains. Their wealth equation has controllable, unlimited leverage."

"To weaponize the Fastlane wealth equation, you must engage in a Fastlane business that has the potential for leverage or high speed limits."

"Money is the king of money trees."

- You must still maintain the systems periodically, but the income is delinked from your time. You can *retire* so long as your monthly passive income exceeds your monthly expenses (including taxes).

- Here are *5 types of seedlings* that can grow into money trees:

  (i) *Rental systems*, including real estate, licenses, leases, patents or royalty payments.

  (ii) *Computer systems*, including internet businesses and software.

  (iii) *Content systems*, including books, blogs, magazines, social networks or other information systems.

  (iv) *Distribution* systems that bring solutions to the masses, including app-stores, franchising, and network marketing.

  (v) *Human resource systems (HRS)*: The more you rely on people to operate a business, the less passive the income will be since humans are hard to predict or control. However, to make millions or billions, you'll need some form of a HRS since you can't do everything yourself.

Fastlaners follow the Law of Effection, not the Law of Attraction.

- The *Law of Attraction* says that your thoughts are picked up by the Universe and manifested in reality. However, positive thinking alone isn't enough; you need concrete action to deliver results.

- The *Law of Effection* says that the amount of money you make is proportionate to the amount of value you give. The more people you impact directly or indirectly, the more money you'll make. Put yourself in a position that can affect millions of people, or serve someone who does (e.g. a famous actor or athlete).

KEY QUOTES

"Human resource systems can add passivity or erode it."

"The more lives you impact, directly or indirectly, the more wealth you will attract."

"To serve millions is to make millions. Think big to earn big."

The Vehicle: You

Own the Vehicle: Start your Own Business

One of the Slowlane mantras is to pay yourself first. However, this is impossible so long as you're holding a job with a fixed salary and must pay mandatory government taxes, 401(k) contributions etc.

Start a business and structure it as a separate entity. This allows you to deduct your expenses to reduce the taxable amounts. It also allows your business to outlive you.

- Don't start a sole proprietorship or a general partnership, since your personal and business assets/liabilities are tied, and you can lose all your assets if something goes wrong with the business. Instead, go for *C-corporations, S-corporations or Limited Liability Corporations* (LLCs), all of which offer tax efficiency and limited personal liabilities.

Steer Your Vehicle: Make Good Choices

Your financial success or failure comes from hundreds of choices that jointly create your process and lifestyle. Every choice you make has a trajectory. Where you are now is the combined result of all your past choices. The choices made before the age of 30 have an especially huge impact since they decide your paths in life and the habits/processes you develop.

Beware of treasonous choices that can cause irreversible harm and permanently change your life, e.g. if you kill someone in a street race, or commit a crime that lands you in jail.

Clean Your Windshield: See Things Differently

Your perceptions (thought patterns) affect your actions (what you choose to do). Change your perceptions to change your actions.

KEY QUOTES

"To pay yourself first, you must own yourself."

"People drown in the misery of their own choices while neglecting to acknowledge they are the cause."

"Poor choices are the leading cause of poorness."

- Build *new beliefs*: gather evidence that it's possible to retire young, and that a job is as risky as a business.

- Use *helpful words* to shift your perceptions. Stop using words like "I can't..." or "It's impossible..." and start using words like "I can/will...", "It's possible to..."

Use 2 strategies to make better decisions:

- Analyze the *worst-case consequences* to avoid treasonous or disastrous choices. Evaluate your daily decisions with 3 questions: (i) What's the worse-case consequence? (ii) What's the probability of this outcome? and (iii) Is this risk acceptable?

- Use the *weighted average decision matrix* to evaluate options for big decisions.

  (i) On a piece of paper, list down the all the factors that affect your decision. Add a weightage in brackets (from 1-10).

  (ii) Evaluate each option. Multiply the score by the weightage and indicate the sub-total in parenthesis. Add up the scores and choose the option with the higher score.

Factors	Option 1	Option 2
Factor 1 (10)	2 [20]	6 [60]
Factor 2 (8)	4 [32]	2 [16]
Factor 3 (4)	6 [24]	8 [32]
Factor 4 (6)	5 [30]	1 [6]
Total	106	114

Don't look at the rearview mirror and lament the past. Focus on your choices now and the person you become in the future.

Put the Headwind Behind You: Manage Your Relationships

Take stock of your environment and relationships.

- Toxic relationships and naysayers are like *headwinds* that drain us and slow us down. They may try to discourage you from the Fastlane or even obstruct you. Turn your back so the headwind now becomes tailwind to accelerate your progress.

- Create *accelerative winds* by associating with people who empower or support your goals. Join entrepreneur clubs, the Fastlane Forum, networking events and be around people with a possibility-mindset.

KEY QUOTES

"Extraordinary wealth will require you to have extraordinary beliefs."

"Changing your life starts with changing choices."

"Success follows those who break the headwind and put it at their back."

Maximize Your Fuel-Efficiency: Free Up Your Time

All of us have a finite lifespan and 24 hours a day. So, time is your most valuable asset. Slowlaners value money over their time, e.g. they may queue for 5 hours to get a free gift or to redeem a $10 discount. Fastlaners realize that time is king—you can always make more money, but you can't avoid mortality.

Your life is the sum of your free time (time spent as you wish) and indentured time (time spent earning money). The more indentured time you have, the less free time you have. Aim to transform indentured time into free time.

- An extravagant lifestyle is a form of "*parasitic debt*": your 30-year home mortgage, designer clothes and car installments all create financial burdens that force you to work and limit your choices. It's like driving with a trunk full of junk—it reduces your car's efficiency and performance.

- *Clear out the junk* so you can move quickly. The true cost of a purchase is the dollar cost *and* the free time you must forego.

Change the Stale Oil: Reinvent Yourself

To keep a car running smoothly, you must change the oil every 3,000 miles. Likewise, you must continually educate and reinvent yourself to stay up to date.

- The goal of education is to enhance your business systems. Instead of being a cog in the system, learn to *build the entire wheel*. The best way to do so is through repeated action.

Throw out the common excuses:

- "*I don't know how*": We're surrounded by free information, e.g. library books, internet blogs, podcasts, webcasts, and courses. With discipline, you can learn virtually anything from programming to digital marketing and graphic design.

- "*I don't have time*": You can always find pockets of time to learn, e.g. while you're in the queue, in the toilet, during tea breaks, or by giving up TV or computer games.

KEY QUOTES

"The reality is that time is deathly scarce, while money is richly abundant."

"Time is an asset that is undervalued and mindlessly squandered."

"The ultimate wealth is having the free time to live how you want to live."

"The acquisition and application of knowledge will make you rich."

"Education is unplucked fruit from a tree, and all it needs is a ladder."

Hit the Redline: Be 100% committed

It takes years to grow money trees and build business systems. To succeed, you must commit to take action and persist despite repeated failures.

- Be prepared for *sacrifice, hard work, and bumps on the road*. When DeMarco was building his company, he worked 12 hours a day, lived in a tiny apartment, and gave up lifestyle comforts and social gatherings. You must be willing to take calculated risks, try new things, learn from mistakes, and keep going in face of inevitable failures. This process *cannot* be outsourced.

The Roads to Wealth

The 5 Fastlane Commandments (NECST)

Not every business gets you on the Fastlane. The right route to wealth must address the Law of Effection by satisfying 5 Fastlane Commandments: Need, Entry, Control, Scale and Time (NECST). Such a route can make you wealthy quickly, such that you'll earn not just a good income (e.g. $20,000 a month) but big money (e.g. $200,000 or $2 mil a month).

The Commandment of Need: Your business must fulfill a real need that people will pay for. This could be a pain point, unsolved problem, service or emotional gap.

- Don't start a business to do what you love or to fulfill your personal goals/dreams. Consumers don't care about your selfish dreams or interests. They want to know *what is in it for them*, and why they should give you their money.

- Paradoxically, the best way to attract money is not to focus on it. When you focus on *solving huge problems and offering massive value*, you'll naturally attract lots of money.

  (i) Ask questions like: How can I help 1 million people to look/feel better, solve their problems, do things more easily, or achieve their dreams?

KEY QUOTES

"Fastlane success requires an investment toll of time and effort. This is the toll that makes you special and keeps everyone else out."

"To live unlike everyone else, you have to do what everyone else won't."

"Businesses that solve needs win. Businesses that provide value win. Businesses that solve problems win profits."

"Stop chasing money and start [to] chase needs, problems, pain points, service deficiencies, and emotions."

(ii) Do not ask questions like: How can I start a business with no money? How can I make passive income?

- Doing what you love isn't enough, unless that thing also (i) solves a real need and (ii) you're outstanding at it. To power your vehicle you need more than interest; *you need passion*. This involves something bigger than yourself that can compel you to take action. It could be:

  (i) Something that truly *excites* you (e.g. making a difference); and/or

  (ii) Something that triggers strong *discontent* in you (e.g. wanting to prove someone wrong).

  DeMarco was motivated by the Lamborghini he saw in his teens and how his mother struggled to single-handedly raise 3 kids.

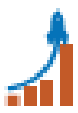
The Commandment of Entry: Your business must have barriers to entry, i.e. it takes time and skill to set up.

- If anyone can enter a business or industry, it will become *overcrowded*. Unless you're truly exceptional, you won't be able to differentiate yourself. Avoid a business (i) if it can be started with 1 event (e.g. filling up a form), or (ii) if everyone is doing it.

- For example, you'll just be a cog in the system if you're a network marketer, internet blogger or selling things on eBay. However, you can *own the entire wheel* if you own the network marketing company, the blogging platform, or eBay itself.

The Commandment of Control: You must have control over your business. If someone can destroy your business overnight, then you lack control. For example, Amazon can easily suspend a seller's account or change its affiliate marketing terms at any time.

- Invest time and money to *grow your own brand*, not someone else's. Offer rentals instead of renting from others, sell franchises instead of buying them, or manufacture products instead of retailing them.



The Commandment of Scale: To have leverage, you must be able to scale up your business exponentially or infinitely.

KEY QUOTES

"The amount of money in your life is merely a reflection to the amount of value you have given to others."

"Crowded, jammed roads move slowly, if at all."

"Stop climbing pyramids and start building them."

"There is no dependence that can be sure but adependence on one's self."
— John Gay

- There are *3 barriers to the Law of Effection*:

  (i) *Scale*: You can't make millions if you can't reach millions. If possible, sell to an entire country or the world.

  (ii) *Magnitude*: You must be able to control your unit profit by increasing prices or decreasing costs.

  (iii) *Source*: You must control the source or business system, or minimally serve the source directly.

- To *test if you satisfy this commandment*, consider if the business can: (i) increase net income by 100x or 1000x, (ii) impact millions of people, (iii) be worth millions in asset value, or (iv) be replicated easily through franchising, licensing or other options. A hot-dog stand by the beach isn't a Fastlane business. However, selling an international hot-dog franchise is.

The Commandment of Time: Your business must be able to survive and operate without you, i.e. it's delinked from your time and works even if you're asleep or on holiday. Otherwise, it's just another job.

- Find ways to *automate and systematize* your business by introducing the 5 money tree seedlings into your operations.

Find Your Interstates/Highways

Businesses that fulfill all 5 commandments are like highways or interstates with high speed limits. Here are 3 options:

- You can meet all 5 commandments with an *Internet* business. Common business models include: subscriptions (offering data or software for a recurring fee), content (offering free content and selling advertisements), leads-generation (linking customers to potential solutions), advertising (linking buyers and sellers for a fee), social networks (building communities), brokerage systems (facilitating transactions), and e-commerce (selling goods, services or information over the internet).

- *Innovation*: Invent a product/service that solves a need or want, manufacture it, then distribute it. This could be as simple

KEY QUOTES

"The larger the habitat, the greater the potential speed, or leverage, of your Fastlane."

"Effection always is biased toward the architect of the system."

"Successful businesses take existing ideas, services, and products and simply make them better, or spin them in new directions."

as repackaging a boring solution in a fresh/fun way, or taking something unconventional and making it conventional.

- *Intentional iteration*: Test, build and develop a winning business model that can be replicated unlimited times. For instance, you may start with 1 coffee kiosk, then use a cookie-cutter approach to multiply the successful model through franchising or chaining.

Fastlane opportunities are everywhere. You don't need groundbreaking ideas; you just need to improve existing ideas or execute better than your competitors. Google built a better search engine than existing players like Yahoo, Snap and AltaVista. Starbucks reinvented coffee—a beverage that had been around for thousands of years. Along the way, it's ok to change course so long as you don't quit the Fastlane to end up on the Slowlane or Sidewalk.

KEY QUOTES

"Skip the big idea and go for the big execution."

Moving Toward your Destination

Define your destination in 4 parts:

- *Define your ideal lifestyle*, including cars, house(s), holidays, children's education etc.

- *Estimate the costs* including taxes and insurance if any. Add other monthly expenses (e.g. clothing, food) to calculate your Gross Monthly Living Cost. Divide this amount by 60% to get the Net Living Cost after taxes.

- *Set your targets* for your business system and/or money system.

  (i) Build a *business system* that generates a target monthly passive cashflow of 5x your Gross Living Cost, of which 40% goes toward taxes, 40% funds your money system and 20% pays for your lifestyle.

  (ii) Alternatively, build a *money system*: amass a lump-sum of money, then earn a monthly interest to support your lifestyle. The target is Net Living Cost x 12 months divided by 5%.

"The tragedy of life doesn't lie in not reaching your goal. The tragedy lies in having no goal to reach."
— Benjamin Mays

- *Make it happen*: Build your business system a few steps at a time so you won't feel overwhelmed. Start your money system by dropping a quarter into a jar. Then, add your loose change to the jar at the end of each day. Once you have $1,000, open a brokerage account (and invest in an income fund with ≥5% annual returns), or open a trading account for Exchange Traded Funds (ETFs).

You can't get rich (or stay rich) without financial literacy.

- Learn about *economics and financial instruments*, e.g. interest rates, mortgage amortization, taxable vs non-taxable yields, return on investment, or how bonds, stocks insurance, mutual funds and global currencies work. Otherwise, you can't differentiate between good and bad financial advice, nor audit what your financial managers are doing with your money.

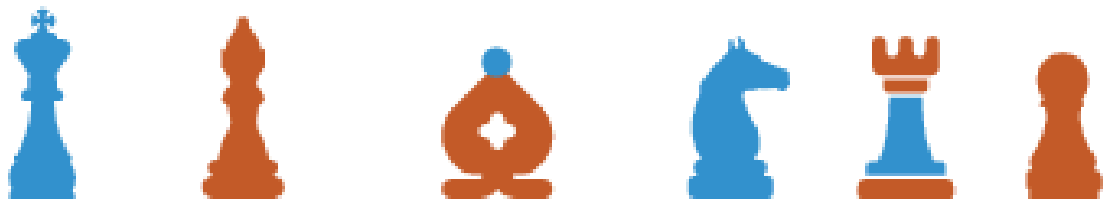
- Regardless of your income level, *live well below your means* to expand your means for maximizing income and asset values.

Speed of Wealth Acceleration

The 3 ingredients above help you to prepare for your road trip to wealth. However, nothing happens until you step on the accelerator.

- To get really good at something, you must live and breathe it. So, *focus on 1 thing at a time*. Dabbling in 20 opportunities will dilute your focus and bring mediocre results. Once you've built your wealth, you can diversify into other investments or ventures.

Think of your Fastlane business like chess. Use all the pieces on the chessboard to win the game:



King – Execution
Queen – Marketing
Bishop – Customer service
Knight – Product
Rook – People
Pawn – Ideas

KEY QUOTES

"No matter how big or small, dreams have a price, and that price is money, responsibility, accountability, and commitment."

"Financial advisers do not solve financial illiteracy just as more money doesn't solve poor money management."

"Fastlane success comes from monogamy; not split attentions among wives and mistresses...Focus on one Fastlane business and kick ass at it."

Execution is King

An idea is worthless until it is executed. You won't know if an idea or plan works until you test it in the market.

- By all means do some market research and financial analysis, but don't waste time on a complex business plan. Use *real-world feedback* to validate your direction, figure out what to change or continue. If people like your idea or offer, they will give you their time, support and money.

Investors look for a strong track record of execution. The best way to secure investment or venture capital is to make your idea tangible—develop a prototype, start acquiring customers and build a brand/process so there's something concrete for investors to see, experience and touch.

Marketing and Branding = Queen

A weak business can still survive with strong marketing, because marketing shapes perceptions which in turn shapes reality.

- *Build brands, not businesses*. If you sell cars or computers, you're just selling commodities. However, when you build a strong brand, you create an identity that consumers can relate to, e.g. Volvo stands for safety, Ferrari stands for luxury, and Apple stands for elegance and simplicity.

To build a brand, you need a Unique Selling Proposition (USP). This is the compelling reason for customers to choose you over your competitors, and it forms the anchor for your brand.

- To *develop a strong USP*:

  (i) Focus on the need/want that you serve better than anyone else. What's the *biggest benefit* you offer to consumers that competitors don't? What makes you unique?

  (ii) Describe the unique benefit using *strong action verbs*, e.g. "obliterate fat" is more compelling than "lose weight".

  (iii) Incorporate the USP into all your marketing materials, e.g. website, email signature, receipts, advertisements etc.

KEY QUOTES

"Execution is the great divider separating winners and losers from their ideas."

"The owner of an idea is not he who imagines it, but he who executes it."

"The value is not the plan, but the person giving it and his track record of execution."

"Own the consumer's mind and you own the consumer."

"Businesses survive. Brands thrive. Businesses have identity crises, brands don't."

- Use these tactics to make sure you're *heard above the noise*.

  (i) Polarize: Present an extreme viewpoint so people either love or hate you.

  (ii) Move your audience by triggering feelings of pride, joy etc.

  (iii) Use sexual appeal to grab attention.

  (iv) Be interactive: People are more likely to buy something if they can touch, taste, or use it first.

  (v) Be unconventional.

- People don't buy cars, dresses, or holidays; they're actually buying reliability, confidence or memories. Once you catch people's attention, focus on what's in it for them. To *translate features to benefits*:

  (i) *Put yourself in your buyers' shoes*: Who are they? What do they want or fear? What problems do they wish to solve?

  (ii) Identify your solution's *features*, and how each feature provides advantages that translate into *benefits or results*. For example, your app allows home-sellers to create and upload 3D pictures, which allows potential buyers to "tour" the house remotely. Home-sellers can filter out serious buyers and waste less time on those who're just browsing.

Use price as a branding tool since it affects the perceived value of your product. A painting priced at $200 may actually sell faster than one priced at $20. Product B below appears more valuable than Product A (even though the sale price is the same).

Product A	Product B
$9.99	~~$59~~ ~~$29~~ $9.99 (Final Reduction!)

Customer Service = Bishop

The goal of customer service is to help/support customers to resolve their issues.

Use complaints to learn what customers are thinking. Keep a record of all complaints, look for patterns and identify which ones to prioritize. There are 4 main types of complaints:

KEY QUOTES

"If you can move your audience's emotions and make them care, they will buy."

"Price is a brand-builder because price implies value."

- Complaints about *change*. It's normal for people to resist changes, but a change clearly doesn't work if brings lots of complaints and a loss of customers.

- Investigate complaints that you've failed to meet *expectations*. Often, these reveal operational or product problems and/or marketing misinformation that should be rectified.

- If customers frequently ask for *something you don't have*, it represents an opportunity to address unmet needs.

- *Fraudulent complainers* seek to exploit the business (e.g. a diner adding an insect to his food to get a free meal). Respond graciously, politely explain your stand and move on.

You earn customers' loyalty and positive word-of-mouth when you exceed service expectations. For instance, rather than send customers to a voicemail or automated attendant, surprise them by having a real person pick up the call and resolve their issue within 5 minutes!

Products/services = Knight

A Fastlane solution must solve such a big problem for customers that you become their savior.

- Many entrepreneurs waste too much time focusing on rivals. They end up reacting to competitors' moves instead of growing their own businesses. Focus 95% of your energy/ resources on *innovations* that can win your customers' hearts and minds. Use just 5% of your focus to differentiate your business further by exploiting your competitors' weaknesses.

People = Rook or Castle

The right people accelerate your journey while the wrong ones can derail you.

- *Business partnerships* are like marriages. Take the time to make sure you're compatible—you have complementary skills, a common vision, goals, and values—before you get married.

KEY QUOTES

"Poor service gaps are Fastlane opportunities."

"To create raving customers, you must exceed satisfaction."

"Partnerships are like marriage-half the time they will fail because the partners just aren't compatible."

- Hire *accountants and attorneys* you can trust. Do your due diligence, including background and reference checks.

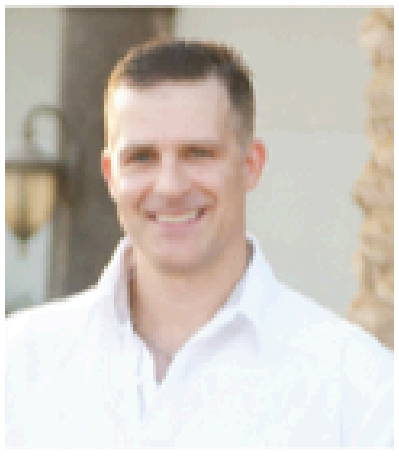
- Your *employees* are your co-drivers. Find the right people who can represent your business and execute your vision and customer service philosophy.

Other Details in the Book to Look out For

You won't get results from knowledge alone. Make a firm decision to apply the insights in this book and start your road trip to wealth. This book is written in 45 short chapters, each with specific distinctions to change how you think about wealth, and examples to bring the ideas to life. For more details, please visit https://www.mjdemarco.com/.

About the Author

M.J. DeMarco is a semi-retired entrepreneur, investor, advisor, and author. He is currently the founder of Viperion Publishing Corp. and The Fastlane Forum (an entrepreneurial community). Previously, he founded Limos.com (1997-2007) which he sold in 2001, reacquired and resold in 2007.



KEY QUOTES

"Be very careful with whom you trust with the keys to your castle because they can drive you to financial ruin."

"Your choices are made in a moment, but their consequences will transcend a lifetime."

THE HARD THING ABOUT HARD THINGS

Building A Business
When There Are No Easy Answers

BEN HOROWITZ

The Big "So What"

Owning a business or being a CEO may sound enviable, but in reality it's full of challenges. The hardest thing is, there are no fixed formulas you can follow. The author, Ben Horowitz, is one of the most respected and experienced entrepreneurs in Silicon Valley. In this book, he shares his experience as an entrepreneur, CEO and venture capitalist, and offers practical tips and advice for dealing with the "hard things" in business that have no clear answers.

Introduction

Horowitz starts by sharing his journey—from an employee to entrepreneur, building a company, falling to nothing, and rebuilding a business that was eventually sold for $1.65b. He then moves on to explain the key lessons learnt, using anecdotes from his experiences, e.g. what it's like to lay off people, run out of cash, or keep people motivated during a crisis. While his experiences are in technology companies, the insights are applicable to most businesses.

In this summary, we've distilled and organized the key ideas from the book into 3 parts:

- Behind the Scenes: Highlights of Horowitz's business journey;
- Building your Business; and
- Holding Things Together.

Behind the Scenes

Most people don't see the stress and sleepless nights that a CEO goes through. In the book, Horowitz shows us the real challenges and the emotional roller coaster that come with running a business. Here are some key highlights:

KEY QUOTES

"There's no recipe for really complicated, dynamic situations."

"That's the hard thing about hard things—there is no formula for dealing with them."

"I do not attempt to present a formula in this book. Instead, I present my story and the difficulties that I have faced…in the hope of providing clues and inspiration for others who find themselves in the struggle to build something out of nothing."

"We've built something from nothing, saw it go back to nothing again, and then rebuilt it into a $1.65 billion franchise."

Horowitz started his career in Silicon Valley as an engineer, and got to know Netscape's CTO, Marc Andreessen when he was hired as Netscape's project manager. After Netscape was sold to AOL, Horowitz and Andreessen started their own company **Loudcloud** in 1999, offering cloud technology.

- Loudcloud *grew aggressively* and secured $10m worth of contracts within 7 months. However, with the *dotcom crash* in 2000, it quickly found itself at the brink of bankruptcy.

- To survive, they had to *bring the company to IPO*, even though they were operationally unsound, lacked a strong sales process/customer base, and faced a market that was cynical about technology stocks.

- Despite overcoming massive challenges to IPO the company, Loudcloud *continued to struggle*. Their share price fell by two-thirds after they missed their first-year forecast. This was followed by the 2001 terrorist attacks in the USA. Even their largest competitor, Exodus, lost $40b market capitalization and $800m cash in just over 1 year, and filed for bankruptcy.

- At his wits' end, Horowitz asked himself, "*What's the worst thing that could happen?*" He realized that, if they went bankrupt, he would cut off their cloud business and salvage their software arm Opsware. He started to make this shift discreetly, and business improved.

Then, their largest customer went bankrupt and defaulted on $25m of outstanding payments. At this point, they had no choice but to **sell off Loudcloud**, their entire cloud business. This meant laying off 140 employees and selling 150 employees with Loudcloud.

- Selling Loudcloud to EDS also meant selling 100% of their customers and revenue. *Stock price plummeted* to $0.35.

- They retained the Opsware IP, but had to *rebuild a new software company*. The remaining staff were presented with the new opportunity, and given the option to commit to the new vision or leave the company. Only 2 employees quit, and 76 out of the remaining 78 staff stayed with the company until it was sold to Hewlett Packard (HP) 5 years later.

KEY QUOTES

"If you are going to eat shit, don't nibble."

"Every CEO likes to say she runs a great company. It's hard to tell whether the claim is true until the company or the CEO has to do something really difficult."

- Next, they had to *revive their stocks* by convincing the market of their new vision, then figure out how to deliver the right product.

- In the process, they had to *let go of the old executive team* and rebuild a new team that understood the software market.

Building Opsware came with many new challenges:

- Within a few quarters, they received news that EDS—their main client which contributed to 90% of their revenues—wanted to *cancel their contract* and get a refund. They had only 60 days to fix the software to EDS' satisfaction. In the end, they found a creative solution: they acquired Tangram (a different system that EDS wanted) for $10m, and offered it as a free service with Opsware. Having saved the EDS account, Opsware now had to work out if/how to integrate Tangram's 57 employees.

- Before long, they faced another challenge: a *new competitor*, BladeLogic, was beating them with a superior product. Horowitz rallied his engineers, who worked 7 days a week, for more than 12 hours a day, over 9 months, to redefine and deliver a *new winning product*. The company now needed a *strong sales force* to sell the product. Mark Cranney was hired as the new head of sales: he assembled a strong team, relentlessly trained them, and personally reviewed the details of each deal to coach his team toward sales mastery.

As Opsware grew, offers to buy the company started to stream in, and it was eventually **sold to HP** in 2007 for $1.65bil.

Through these ups and downs, Horowitz learned the myths and realities of what it means to start a business and be a CEO. In the next 2 sections, we'll present some of these key tips and insights.

Building a Business

The correct sequence of priorities for any business should be: people, products, *then* profits.

KEY QUOTES

"It turns out that...figuring out the right product is the innovator's job, not the customer's job."

Building a Great Place to Work

Taking care of your people is all about making your company a great place to work.

A good organization is one where people can **focus on doing a great job**, feeling secure that both they and the company will be rewarded. On the other hand, in a bad organization, people lack clarity and fight internally; products and profits suffer as a result.

Generally, people are happy to work for a company when things are rosy. However, when things go wrong, the quality of your workplace will decide **whether people stay** and stick it out.

Hiring the Right People

Size mismatch. Many startups hire big company executives, only to realize there's a mismatch:

- Work in a startup involves *different rhythms and skill-sets* from that of a large company. *Startup executives* must be hands-on, create things from scratch, handle 8-10 new initiatives a day, and get out there to make things happen. On the other hand, *large company executives* must be good at juggling tons of emails/meetings, handle organizational design and process improvements, and usually take on ≤3 new initiatives a quarter.

- To avoid wrong hires, *test for mismatches* during interviews. Ask questions like, "What will you do in your first month on the job?", "What do you think will be different between your current job and this job?" *Integrate* your new hires asap by requiring weekly creations, hands-on involvement in product/customer details, and personal interaction with key people in the company.

As a CEO, you must hire and manage executives who can do things better than you can, and for jobs you've never done yourself. How do you know **what to look for?**

KEY QUOTES

"The most important thing to understand is that the job of a big company executive is very different from the job of a small company executive."

- The best way is to put yourself in the role, to get first-hand knowledge of what's needed for your company. *Identify what's required* for the specific role, at that specific point in time.

- *Convert the criteria into processes*. Identify the *essential strengths*, acceptable weaknesses, and hire for those strengths (not for a lack of weaknesses). Develop *specific questions* that test for those criteria. Organize an *interview team* that can assess the fit, and whose support is needed once the executive is hired.

- The CEO must be prepared to make the *final decision*. When Horowitz hired Mark Cranney as Opsware's Head of Sales, he decided to accept Marks' weaknesses, as Mark had the strengths needed to assemble a strong Opsware sales team for their new product. During the interview, Horowitz asked targeted questions like, "What do you look for in a sales rep?", "How will you screen for these during an interview?", "How will you train the sales team?". With the right strengths, Mark grew Opware's sales by more than 10x, with low staff turnover on his team.

Training Your People

Startups tend to focus on recruiting the best talents, but neglect their training. Training is vital in startups, as it helps to set performance expectations, create consistency and alignment, and improve productivity and staff retention.

You can start with *functional training* tailored to specific job roles, to set expectations and provide the background/details on your products. Use *management training* to convey clear expectations for your managers, e.g. are they expected to meet and coach their staff regularly? You can also get your *best people* to teach their top skills, to improve overall competencies and recognize good staff.

Managing a Company

What you measure can change behaviors, e.g. when you measure the duration of customer service calls, your staff may start to focus on finishing the calls quickly rather than

KEY QUOTES

"You must hire the right person for your company at this particular point in time."

"I'd learn the hard way that when hiring executives, one should follow Colin Powell's instructions and hire for strength rather than lack of weakness."

"Bringing in the right kind of experience at the right time can mean the difference between bankruptcy and glory."

"Being too busy to train is the moral equivalent of being too hungry to eat."

"Management purely by numbers is sort of like painting by numbers—it's strictly for amateurs."

engaging the customers. Always **blend qualitative and quantitative targets**, e.g. combine product vision with metrics like speed or durability.

Sometimes, an easier decision can have a costly long-term effect– this is called a "**management debt**". Here are 2 common scenarios:

- When a key staff gets a better job offer, it's common for companies to make a counter-offer to retain him, even if he's now *over-compensated* relative to his peers. Soon, others also threaten to quit to get a pay raise.

- As a company grows, CEOs may resist adding *HR systems*, to save costs and keep the environment casual. In the long run, performance drops and the company suffers.

Great CEOs make the hard decisions in the short-term, so they don't have to pay the price of management debt in future.

Strong **HR capabilities** can improve your management quality:

- *A strong HR Head* should be perceptive, an effective facilitator between the managers and CEO, strong in process design and control, and well-versed with the latest HR knowledge.

- Use the *employee life cycle* to evaluate your management quality, by looking at the components of recruitment/ hiring, compensation, training/integration, performance management, and motivation.

Leading a Growing Company

A company with 10 staff vs 10,000 staff must behave differently. A CEO must embrace and manage the changes that come with growth.

Politics emerge when people are rewarded for reasons besides contribution/merit. It often starts unintentionally with the CEO, e.g. when you agree to change someone's job title/responsibility due to their lobbying efforts. To minimize politics:

KEY QUOTES

"Management debt is incurred when you make an expedient, short-term management decision with an expensive ,long-term consequence."

- Hire people with the *right ambition*, i.e. they don't pursue personal success at the company's expense. During interviews, be cautious of people who regularly use words like "I" and "me", or claim personal credit for big projects without knowing the details.

- Develop *processes for politically-sensitive areas*, such as a proper performance evaluation/compensation system and a transparent, merit-based promotion system.

- Your *words, actions, or even silence* as a CEO can be misinterpreted by your staff. Be mindful of gossip, hearsay, and the types of rewards or incentives that you offer. Handle issues with transparency and don't allow staff to complain to you about other colleagues in their absence

Managing titles/promotions. At the startup phase, people do whatever's required to get things going, and roles are often vaguely defined. However, titles must be carefully managed as they affect expected compensation, perceived fairness and organizational effectiveness.

- The *Peter Principle* (by Peter and Hull) says that people will be promoted to their "level of incompetence", while the *Law of Crappy People* (by Horowitz) says that people will benchmark themselves against the lousiest person at the next level and expect to be promoted when they reach that level of competency.

- Make sure the titles reflect the *level of influence and value* of that role. You need to specifically define the skills and responsibilities for each level, and have a formal committee and process to review employees for promotion.

- Never evaluate people based on their *potential* to meet your company's future needs, since skills can be learned, things will change and you can't predict the future.

Horowitz places great emphasis on **1-1 meetings** as a key management tool. The aim of such meetings is to provide a platform for employees to flexibly discuss any issue or idea that may not otherwise be raised.

- To provide *structure* for the meeting, ask your staff to set the agenda in advance.

KEY QUOTES

"Because titles will be used to calculate relative value, they must be managed carefully."

- To *draw out key issues*, try using questions like, "Are you happy working here?", "If we can improve in anything, what will it be?", "If you were me, what changes would you make?"

Your culture is essentially how things work in your company. Having the right culture helps you to find the right employees, preserve your values, deliver great products, a great work experience and long-term performance.

- Great companies are often associated with strong, "cult-like" cultures. To influence behaviors on a large scale, focus on a few "*cultural design points*", i.e. things that are so shocking that they trigger discussion and behavioral change. For example, Amazon had its office desks made from cheap Home Depot parts, which give reason for staff to explain to visitors/new staff how Amazon always seeks to deliver the best solutions at the lowest cost.

- *Ask good questions*. Horowitz found it useful to incorporate this question at his meetings: "What are we not doing?". This question shifts the focus away from the work being done/completed, to identify gaps and blind spots. Asking this question led Opsware to acquire a network automation company, which won them a business deal that paid for the acquisition almost immediately.

To make a big impact, you must know how to scale your company.

- Scaling your company involves *specialization* (devoting people and teams to specific tasks) and *organizational design*. Consider what needs to be communicated, the types of regular decisions to be made, your business priorities (e.g. is it more vital for your designers to know the customer or product architecture?), and decide who to lead each group. There's no perfect structure; decide on your trade-offs, and address the gaps in other ways.

- As you scale, your communication, info-sharing and decision-making become exponentially more complex, e.g. the more specialized your staff are, the more coordination you need. Thus, *don't add processes/changes unless you absolute have to*. You know it's time to make changes if you find that adding a new staff creates more trouble than the help he/she brings.

KEY QUOTES

"Sometimes an organization doesn't need a solution; it just needs clarity."

"Perhaps the CEO's most important operational responsibility is designing and implementing the communication architecture for her company."

"A properly designed culture often ends up looking cultlike in retrospect, but that's not the initial design principle."

"You want to optimize the organization for...the people doing the work—not for the managers."

"Be mindful of your company's true growth rate as you add architectural components. It's good to anticipate growth, but it's bad to overanticipate growth."

Holding Things Together as the CEO

Challenges are inevitable in business. In fact, greatness is born from struggles, and the CEO can make the biggest difference in times of crises. When things fall apart, it's the CEO's job to hold everything together and find a solution. Don't start a company unless you're willing to deal with this.

Surviving the Struggle

Everyone starts the entrepreneurship journey feeling confident of success—you see yourself making a positive impact, with a great team, great products and happy customers. However, the reality often turns out to be the opposite: your product isn't ideal, market conditions aren't up to expectations, good people leave and you run out of cash.

Every successful entrepreneur goes through the phase when everything seems to fall apart: Horowitz calls this **"The Struggle"**.

- At this point, you'll feel lost and lonely; you're filled with self-doubt and wonder why you're hanging on. Rather than waste energy feeling sorry for yourself, just *do what you have to do* to fix things. *That* is the job of the CEO.

- It doesn't matter if you have a 1% or 90% chance of success—as the CEO, you must stay focused and *find the best possible move*, no matter how hopeless things appear.

Here are some tips that can help you to **survive The Struggle**:

- *Share your burdens*. As the CEO, you're the only one who can see all the pieces of the puzzle, and have to shoulder the full burden. However, don't try to take on everything yourself, or feel bad about troubling others. No one will feel the load or responsibility as much as you. Opsware survived its multiple crises due to the entire team's effort.

KEY QUOTES

"When you are building a company, you must believe there is an answer and you cannot pay attention of your odds of finding it. You just have to find it."

"As your dreams turn into nightmares, you find yourself in the Struggle."

"It's the moments where you feel most like hiding or dying that you can make the biggest difference as a CEO."

"The Struggle is not failure, but it causes failure."

"Nobody takes the losses harder than the person most responsible. Nobody feels it more than you."

- *There are always options*. Businesses are complex, with constantly changing variables (people, competitors, technology etc.). This means that there will always be moves that you can make, however desperate the situation. As things change, new answers (that previously weren't available) also emerge—the key is to stay long enough in the game to find them.

- *Don't take it personally*. Although you are ultimately responsible for your decisions/mistakes, bashing yourself won't help. Everyone makes mistakes; don't be too hard on yourself.

Tell Things As They Are

When things go wrong, leaders sometimes lie to themselves with excuses like, "We lost the deal because the competitor was desperate enough to price below cost". CEOs may also try to boost morale by putting up a positive front and playing down the negatives. **Be transparent** and tell things as they are:

- You can't fix all the problems by yourself. By sharing the truth, you build *trust* between you and your team, which facilitates communication and collaboration.

- If people are used to masking bad news, problems can stay hidden until it's too late. Build a healthy culture where people feel free to *discuss problems and explore solutions*. After all, why hire great people if you don't put their talents and skills to use?

Face the reality. We want to believe that we can predict or control our business. However, the truth is, we can't. When the unexpected happens, don't wish for normalcy or magic solutions; face the issues head-on, like how Opsware recreated their product to counter BladeLogic's superior product.

Distinguish facts from assumptions. Shortcuts, conventional wisdoms and first impressions are often misleading. Gain *first-hand knowledge* wherever possible, and always step back to look at *alternative perspectives*.

KEY QUOTES

"If you survive long enough to see tomorrow, it may bring you the answer that seems so impossible today."

"My single biggest personal improvement as a CEO occurred on the day when I stopped being too positive."

"In any human interaction, the required amount of communication is inversely proportional to the level of trust."

"A brain, no matter how big, cannot solve a problem it doesn't know about."

"Following conventional wisdom and relying on shortcuts can be worse than knowing nothing at all."

Asking People to Leave

One of the hardest things about running a company is to ask people to leave. Yet, it's vital to do it right.

Layoffs can tear a company apart, as the remaining employees no longer feel committed to build the company. Yet, Opsware succeeded despite 3 rounds of layoffs. It *is* possible to lay off people properly, however unpleasant it is.

- *Focus on the real reasons and the future*. Layoffs are the result of the company's *failure* to fulfill its goals; it's not an excuse to remove people for poor performance. Admit that the company's failure has resulted in the need to lose great people. Look to the future and don't let bad feelings of the past cloud your mind.

- Once the decision is made, *execute it asap*. Once news leak out, they create questions, uncertainty and confusion.

- *Don't outsource* the layoffs to your HR department or an outsourcing firm: The CEO must *personally address* the entire company, to set the context and lay the ground for execution later. T*rain your managers* to lay off their people: they must be able to (a) explain the company failure, (b) convey that the decision is non-negotiable, and (c) share the details of the benefits and support to be offered. Be visible and available throughout the process.

If you need to **fire a senior executive**, prepare in advance using these 4-steps:

- *Analyze the root-cause*. This is always due to a system failure, e.g. poor job definition, failure to hire for specific strengths, or failure to integrate the person. "*Scaling*" is also a common cause, when the people you hired are no longer suitable for the new roles/needs of your growing company. If your firm is growing rapidly, go for executives with a strong track record of managing growth and adapting with the company.

KEY QUOTES

"The wrong way to view an executive firing is as an executive failure; the correct way is to view an executive firing as an interview/ integration process system failure."

- *Get the Board's support* for your decision, the separation package, and to protect the reputation of the executive. Ideally, call each board member to break the news personally, especially if the executive was recommended by one of them.

- *Prepare for the conversation*: Script, practice, then speak with the executive asap. Make sure you (a) present the reasons clearly, (b) convey the decision firmly and (c) be ready with the details of the severance package. Let the executive decide how best to communicate the news to internal and external parties.

- *Prepare to inform the company*. Ideally, the decision should be communicated to the rest of the company in a few hours, or within the day. Start with the executive's direct reports, other members of your staff, then the rest of the company.

Becoming a Better CEO

As an entrepreneur or CEO, you often have to lead even when you have no idea where you're going. One of your key challenges will be to **manage your own headspace**.

- The path of a CEO can be a *lonely* one. You have to learn on the job and from your mistakes, bear full responsibility for the company, yet you can't share your fears or doubts with employees or outsiders.

- The best CEOs manage their emotions, act decisively, and simply don't quit. To *help yourself cope*, (a) get psychological support from friends who've survived tough times, (b) think on paper to clear your head, and (c) focus on your options, not the problems.

You can **improve your effectiveness** by working on several areas:

- Learn to *give and receive feedback*;

- Often, the tough decisions are not about knowing what to do, but having the courage to do them, e.g. to kill a product line or sell off an entire division. By making small

KEY QUOTES

"When a company multiples in size, the management jobs become brand-new jobs... everyone needs to requalify for the new job, because the new job and the old job are not the same."

"When you expect your employees to act like adults, they generally do."

"You will face a broad set of things that you don't know how to do that require skills you don't have."

"Focus on the road, not the wall... Focus on where you are going rather than on what you hope to avoid."

"Spend zero time on what you could have done, and devote all of your time on what you might do."

"The right decision is often obvious, but the pressure to make the wrong decision can be overwhelming."

but difficult choices regularly, you *build courage* to take on bigger challenges;

- Nurture *3 key leadership attributes*: (a) *express the vision* and sustain people's belief, (b) *have the right ambition* and show that you truly care for your people, and (c) work on your *competencies* to deliver the vision.

Different leadership styles are required during **"peacetime" and "wartime"**. When the company is doing well relative to competitors, the CEO's role is to improve innovation across-the-board, grow your market and enhance your strengths. However, when the company is fighting for survival, the CEO must focus all the resources on a single goal that's aligned to your mission, and ensure its achieved. The 2 sets of skills are so different that you typically need different leaders for peace vs crisis.

Other Details in the Book to Look out For

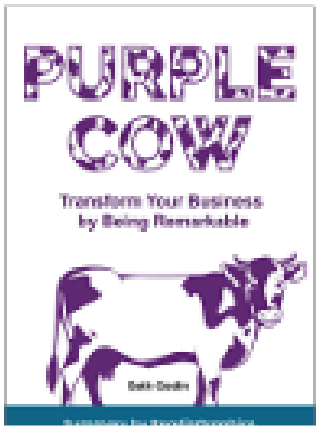
While there are no secret formulas for the "hard things" addressed in this book, Horowitz uses a wide range of anecdotal examples to illustrate how you can deal with these tough issues, and the important pitfalls to avoid. In the book, he includes many other details including:

- Sample interview questions, documents and checklists that he used to communicate expectations and review his organization;
- Detailed accounts of how he handled situations involving politics, competition, internal communications etc.; and
- Other advice on how to give feedback, how to evaluate CEOs, whether you should sell your company, etc. For more details and resources, do visit the Andreessen Horowitz website.

KEY QUOTES

"Peacetime CEO knows that proper protocol leads to wining. Wartime CEO violates protocol in order to win."

"The world looks one way in peacetime but very different when you might fight for your life every day."



PURPLE COW

Transform Your Business by Being Remarkable

SETH GODIN

The Big "So What"

The world of marketing has changed forever, and traditional forms of marketing no longer work. The best way to launch a new product/service or build a brand successfully is to be remarkable. This book explains why and how to build Purple Cows that people will notice and talk about.

Introduction

In the past, businesses typically used the 5Ps of marketing to guide their marketing strategy and tactics. Depending on the company or individual, the 5Ps could include: product, pricing, promotion, positioning, publicity, packaging, pass-along, and permission.

Today's marketing climate calls for a new P—the "Purple Cow".

- The Purple Cow refers to something *remarkable*, i.e. something worth noticing and talking about. Imagine you're a city-dweller driving through the countryside. Initially, you may feel excited to see brown cows grazing in the fields, but you'll quickly lose interest after a few hours of the same scenery. Then, you notice a purple cow in the field. Suddenly, you're sitting up, snapping photos and sharing it with everyone—because it's unique and remarkable.

- This book is written in many short, bite-sized chapters, each discussing a concept or insight about marketing. In this summary, we've consolidated the ideas into *2 main sections*:

  (i) The New World of Marketing; and

  (ii) Creating your Purple Cows.

KEY QUOTES

"This book is about the why, the what, and the how of remarkable."

"Marketers for years have talked about the five Ps of marketing…This is a book about a new P, a P that is suddenly exceptionally important."

"Remarkable marketing is the art of building things worth noticing right into your product or service."

The New World of Marketing

Marketing has changed dramatically in the past decades:

- *Before* the age of TV and advertising, people relied primarily on word of mouth to discover great products/services, such as the market stalls with the freshest produce.

- *During* the advertising era, companies with big budgets could spend money on mass media ads (e.g. TV, newspapers, magazine) to reach masses of people, sell more products, then invest the profits in more advertising to grow their market share. Mass-market ads were effective since there were relatively fewer advertisers and choices for consumers.

- We're now in the *post-advertising era*, where the market is so saturated with ads that consumers have become indifferent to them. Successful marketing now hinges on the ability to solve consumers' problems and get word-of-mouth referrals. To do so, marketers must first grab consumers' attention and have a solution that works.

Today's consumers are still looking for great solutions to their problems. The key marketing challenge is this: there are now more and more choices, and people have less and less time. So, they simply ignore the unwanted messages. Even satisfied customers are less likely to share about a product unless it's truly exceptional.

- You can only sell a product/service to someone who has the *money, time, or desire* to buy it. The person must:

  (i) Be able to afford your product;

  (ii) Have the time to listen to your pitch/message; and

  (iii) Want the product after hearing the pitch.

- *For example*, if you were the first to invent aspirin, it would've been much easier to get people's attention. Today, to sell a new brand of aspirin, you must:

KEY QUOTES

"The world has changed. There are far more choices, but there is less and less time to sort them out."

"As consumers, we're too busy to pay attention to advertising, but we're desperate to find good stuff that solves our problems."

(i) Find a way to reach the people who need pain relief;

(ii) Find those who're willing to consider a new brand; and

(iii) Convince them to choose your brand over your competitors (including established brands that've had years to hone their products and ads).

- Today, results from *mass-media advertising* are dismal despite the high costs. If you reach 1 mil people but only 0.001% make a purchase, that translates to just 10 customers.

  (i) Godin did an experiment with people reading the Wall Street Journal at a hotel lobby. He asked if they could name 2 companies that had run a full-page ad, if they could recognize the company (after he hid the logo on the ad), or if they had ever enquired about a product/ service after seeing the ads. The answer was "no" to all 3 questions.

  (ii) Famous marketer Sergio Zyman admitted that 2 of Coke's most famous commercials—"I'd like to teach the world to sing" and "Mean Joe Greene"—didn't generate any additional revenue.

KEY QUOTES

"Stop advertising and start innovating."

Why You Need Purple Cows

According to Godin, 80% of the new entrants to Interbrand's top 100 brand list succeeded due to word of mouth, not extensive advertising. The most wildly-successful solutions tend to be outliers, i.e. they're unusually fast or slow, big or small, luxurious or affordable.

"Services that are worth talking about get talked about."

- Each of these companies stood out because they *didn't play by the rules*—and neither should you:

  (i) JetBlue Airways went with a low-cost structure, underused airports, and non-union staff, at a time when air travel was dominated by full-service airlines with unionized staff.

  (ii) Starbucks invented the coffee bar concept, at a time when canned supermarket coffee was the norm.

  (iii) Vanguard created low-cost index funds that full-service brokers simply couldn't compete with.

- If you try to *copy the market leader*, you'll always lag behind. More importantly, you'll never be remarkable since your idea/approach won't be unique.

- Offering the *lowest price* is also not a good strategy since your rivals can always undercut you. Being a Purple Cow means offering drastically lower prices *and* higher value by fundamentally changing how a product is designed, produced or delivered—like what IKEA did with home furnishing.

In *"Crossing the Chasm"*, Geoff Moore presents the adoption curve which explains how new technology moves through the market. Although the book was written for high-tech solutions, the insights apply to virtually *any* product/service in any market.

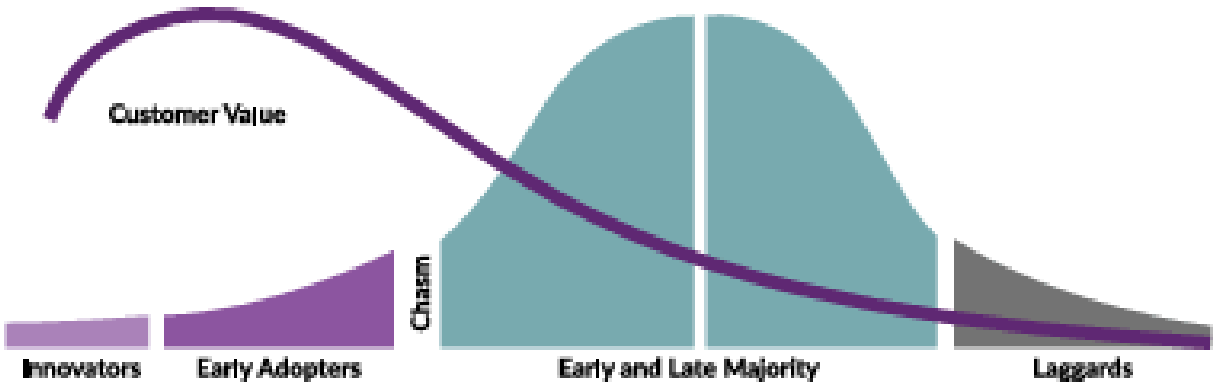


Diagram adapted from Crossing the Chasm (by Geoff Moore) and Purple Cow (by Seth Godin)

- *Innovators* are the first to try new products, not because they need the products but because they simply love new solutions.

- After them comes the *early adopters* who actually benefit from the products. They're actively looking for good solutions to their problems, and will pay for such products or services.

- The *early and late majority* represent the bulk of the market. However, they're happy with existing solutions and will ignore your marketing messages. The only way to get their attention is by getting the early adopters to embrace your solution and spread the word.

- The *laggards* start using the products when people are already moving on to newer solutions, e.g. they start using CDs when people are ready to move on to mp3s.

In short, a new product/service cannot reach the mass market without first going through the innovators and early adopters. If you target the mass market directly, you'll fail because:

KEY QUOTES

"The leader is the leader because he did something remarkable. And that remarkable thing is now taken–it's no longer remarkable when you do it."

- Products that seem safe enough for the masses will be too *boring* for innovators and early adopters.

- You'll also need to spend millions (or even billions) to advertise directly to the masses. Yet, the early/late majority will ignore your marketing messages by default. If you fail to grab their attention, you won't have enough *resources* to try again.

☑ Instead, aim to win over the "sneezers" among the early adopters. These are people who can spread contagious ideas (which Godin calls "ideaviruses") to heavily influence the rest of the curve.

- Don't try to target everyone. Instead, focus on a *specific niche* to increase the chances that you can design an irresistible solution and reach a critical mass of people through a few sneezers.

- Use *targeted marketing* with the goal of getting the sneezers (early adopters with influence) to try your solution and recommend it to others. For example, when Zespri launched their new kiwi fruit with golden flesh and an edible peel, they used in-store tasting in upscale Latino groceries to reach the right people.

- Most importantly, design a *virus-worthy product* that can attract the early adopters *and* help them to promote it to others easily. To evaluate a product/idea's potential as an ideavirus, consider:

  (i) Is it easy to spread your idea?

  (ii) How often will people share the idea?

  (iii) How closely-knit are the communities? How far do they trust one another?

  (iv) How influential are the potential sneezers?

  (v) Will the idea persist over time or fade quickly?

- Once you've *dominated the niche* and have sneezers spreading the ideavirus for you, it's much easier to reach the masses without spending millions on advertising.

📖 In short, the rule of marketing has fundamentally changed.

KEY QUOTES

"Don't try to make a product for everybody, because that is a product for nobody."

"A brand (or a new product offering) is nothing more than an idea. Ideas that spread are more likely to succeed than those that don't."

- In the past, the rule was to create safe products that can be marketed to the masses. Now, the *new rule* is to create remarkable products that will attract the right people.

- Since every Cow is unique, there's *no fool-proof formula* for creating a Purple Cow. However, you can use the principles, ideas and concepts below to increase your chances of success.

Creating Your Purple Cow

Dare to Stick Out and Be Remarkable

To build a Purple Cow, you need the courage to take risks. Purple Cows are so rare because most people are afraid to stick out.

- All great artists, authors, chefs, and businesses have their share of *failures and criticisms*. If you're remarkable, you *will* get both attention and criticisms. Moreover, you can't predict which ideas will succeed, so you'll definitely experience failures. Ultimately, you can either be safe and boring, *or* unique and virus-worthy. You can't be both.

- *Being safe is riskier* than being different. A safe, boring idea makes you invisible in a crowded marketplace so you'll certainly fail. A bold idea at least gives you a shot at greatness. Moreover, the more others avoid risks/criticisms, the greater your opportunity to stand out as a Purple Cow. For example:

  (i) In the past, chairs were treated as boring complements to desks. Then in 1994, *Herman Miller* introduced the Aeron chair which looked and worked differently, and cost much more at $750 each. The idea was risky, but it paid off.

  (ii) When *Lionel Poilane* inherited his dad's French bakery, he didn't just continue to do the same thing. His bakery was the first in France to introduce organic flour, and to create wood-fired oven-baked sourdough bread using just flour, water, sea-salt and starter. His innovation paid

KEY QUOTES

"The old rules don't work so well any more. Marketing is dead."

"What's missing isn't the ideas. It's the will to execute them."

"The best the timid can hope for is to be unnoticed. Criticism comes to those who stand out."

"Being safe is risky."

off, and the Poilane bread can now be found across the globe.

- Purple Cows are not meant to appeal to everyone. If you have creative people working on your Purple Cows, give them the *space to develop exceptional ideas* for a niche market. Don't insist on using focus groups or user tests to prove the concept with mainstream customers.

It's not enough to create something that's "very good". The more noisy, crowded or rigid a market is, the more you need a truly remarkable Purple Cow to cut through the clutter.

- It's better to go for a few *dramatic improvements* that the right customers will care about, than to keep churning out meaningless marketing campaigns. Take 1-2 seasons off to develop promotions or activities that are worth noticing. For years, Ben & Jerry's didn't run any short-term promotions. Instead, they generated massive buzz and publicity just by giving out free ice-cream once a year.

Go for Targeted Marketing, not Mass Advertisements

Not all customers are equally profitable. Differentiate your customers with the goal of finding the group that's (i) the most profitable or (ii) the most likely to sneeze. Then, focus on reaching, cultivating, and rewarding this group. Ignore all others.

- Go for the *smallest market niche* you can serve remarkably:

  (i) Which is 1 underserved market niche that you can dominate?

  (ii) What product could be irresistible to this market?

- *Match your product to the market niche*. For example, if you're selling frozen comfort-food, it makes more sense to target overworked house-husbands than people watching a gourmet cooking show. You can:

  (i) Figure out your audience, then solve their problem; or

  (ii) Start with a problem you can solve, then figure out the people who'd love your solution.

KEY QUOTES

"Very good is an everyday occurrence and hardly worth mentioning."

"Irresistible (for the right niche) is just remarkable."

Develop a slogan or positioning statement that captures what's remarkable and true about you.

- *Slogans* are so powerful because they can convey a message in seconds. They don't even have to involve words. For example, Tiffany's blue box conveys elegance and quality, while the name "The Leaning Tower of Pisa" speaks for itself.
- If you're in an *intangible business*, consider what's remarkable about your solution and your people (i.e. you or your team).
- Back these up with *real-life stories* that sneezers can spread.

Keep Exploring the Edges

The best way to create Purple Cows is to constantly explore the fringes and find/test ways to make your products remarkable:

- Go through the *list of marketing Ps*: Product, Pricing, Promotion, Positioning, Publicity, Packaging, Pass-along, and Permission.
- For each area, identify the edges that you can explore. List down valuable attributes and consider if/how you can *be the "mostest"* in each area. For example, can you be the most durable, simple, complex, caring, cool, fun, exclusive, personalized, or value-for-money?
- *Test* which one(s) will most likely deliver the desired results.

Use the ideas and examples below to stimulate your imagination:

- What ideas can you gain from *other industries*? How do their most remarkable solutions stand out from the rest?
- Challenge the things that are "just not done" *in your industry*. Or, study a competitor with a Purple Cow—can you outdo them by going in the opposite direction?
- How can you *combine different ideas* to come up with a remarkable one?

KEY QUOTES

"Explore the limits. What if you're the cheapest, the fastest, the slowest, the hottest, the coldest, the easiest, the most efficient, the loudest, the most hated, the copycat, the outsider, the hardest, the oldest, the newest, the . . . most!"

"You have to go where the competition is not. The farther the better."

- Can you *redefine what you're selling*? Most paint companies assume that they're selling paint. Dutch Boy realized that customers are actually buying painted walls, so they redesigned their paint cans to be easier to carry, pour from, and close—a simple change that delivered a huge increase in sales.

- Can you get users to *change their behavior* to optimize your product's performance? For example, elevators are expensive and take up valuable space for lift lobbies. If each elevator stops at every floor, you'll need many elevators in a tall building. Otis came up with a solution to this problem—they created a central control pad for passengers to enter the floor they're going to. By the time they reach the lift lobby, an elevator is already assigned to bring them directly to the desired floor. This allows fewer lifts to serve more passengers more quickly.

- What will it take for your product/service to be so unusual that people start to spread spoofs or *parodies* of it? However, being remarkable doesn't mean being ridiculous or outrageous just for the sake of being so. Focus on the purpose behind your outrageousness, and build it into the product itself.

- Can you create a *collectible version* of your product? For example, Curad successfully challenged established leader Band-Aid by introducing colorful bandages with cool characters. This soon became a favorite with kids.

- Can you stand out by *being honest*? In France, McDonald's subsidized a report that recommended fast-food consumption at most once a week. This honest message reached more people than advertisements asking people to consume more.

KEY QUOTES

"Instead of selling what we wanted to sell, we sold what people wanted us to sell, and then figured out how to make money doing it."
—Brad Anderson, former CEO of Best Buy

Go for Short, Repeated Development Cycles

The Purple Cow is just a part of the product life cycle, most suited for growth or starting something new. However, any idea—no matter how fresh or remarkable—will eventually lose its novelty. Once a market leader's product becomes common and boring, it can be disrupted by new Purple Cows.

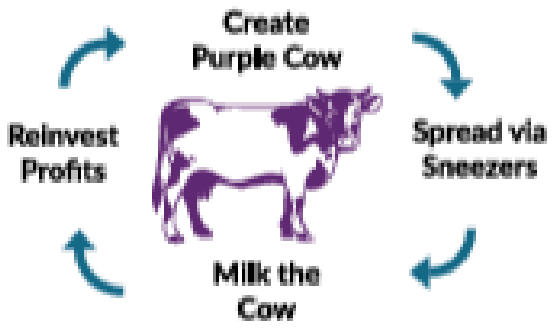
So, it isn't enough to create 1 Purple Cow. You must continually reinvest the money to develop new Cows.

- Once you've crossed the chasm to capture the early/late majority market, hand the product to another team to *milk the Cow*. Aim to extend the Cow and profit from it as long as possible by improving and refreshing the product.

- Concurrently *invent a new Purple Cow* before the original one becomes boring and mainstream.

  (i) Ideally, target the same audience. Gather the contacts of the top 20% of customers who love what you do, and get their permission to reach out when you launch your next Purple Cow. Do not spam them with marketing messages in the meantime.

  (ii) Be prepared to keep failing, and to repeat the cycle over and over again.



You can't fix something without knowing what's broken. Look for the fastest and most cost-effective ways to measure meaningful outcomes so you can keep improving and refining your approach. For example, Zara changes its clothing line every 3-4 weeks, monitors what works and doesn't, then adjusts its lineup.

Find People with "Otaku"

Godin describes the Japanese word "otaku" as something between a hobby and an obsession. For example, only people who're truly passionate about science fiction will attend a science fiction convention. Engage early adopters with otaku, i.e. people who care enough to learn about your product and tell others about it. Get their help to refine and launch your Purple Cows.

Often, the creators of Purple Cows are also passionate about their products, e.g. Starbuck's Howard Schultz is a coffee lover himself.

KEY QUOTES

"The Purple Cow is not a cheap shortcut. It is, however, your best (perhaps only) strategy for growth."

"It's about being irresistible to a tiny group of easily reached sneezers with otaku."

- Even if you're not personally passionate about your products, you can get to *know your target audience* intimately in 2 ways:

  (i) Look for people/agencies in your industry with a track record of launching remarkable products, and hire or learn from them. Immerse yourself in fan magazines, conferences and design reviews to get in the heads of people who care deeply about the product, so you can make something they'll love and share.

  (ii) Build processes and a culture where people systematically and repeatedly test new prototypes and explore new ideas.

- Equip your people with the *innovation, design and influence skills* they'll need to launch amazing solutions.

  (i) Send your designers for marketing courses and send your marketers for design courses etc.

  (ii) Involve your marketers in the product conceptualization and development, so you can design the product's marketing into the product itself.

KEY QUOTES

"If you are a marketer who doesn't know how to invent, design, influence, adapt, and ultimately discard products, then you're no longer a marketer. You're deadwood."

You can also be a Purple Cow in your career. People who're truly remarkable don't have to worry about their job-search techniques. They get recommended by others or sought out by companies.

- Position yourself as the go-to-person for a narrow *niche*, e.g. as a publicist for plastic surgeons; and/or

- Build up a *remarkable resume* over time. Don't try be a Purple Cow only when you're looking for a job. Regularly take on high-profile projects, and allow yourself to take risks (and fail). These will naturally make your resume stand out.

"Remarkable people with remarkable careers seem to switch jobs with far less effort."

"The path to lifetime job security is to be remarkable."

Other Details in the Book to Look out For

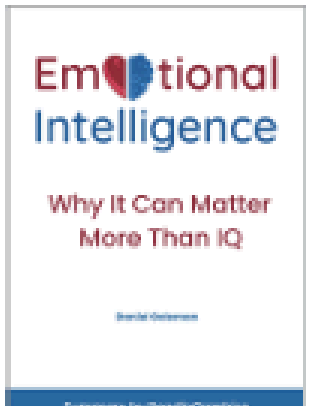
This book is written in short, easy-to-read chapters, with numerous examples to illustrate how Purple Cows can be created in any area—from hotels to cars, supermarkets, or even salt. Although the book was first published in 2002, many of the key ideas are still

applicable today. For more ideas and resources, do visit Godin's website (www.sethgodin.com) or his blog (https://seths.blog).

About the Author

Seth W. Godin (born 1960) is an American author and entrepreneur. Godin previously founded and sold a book packaging business. He then launched Yoyodyne to promote permission marketing. In 1998, Yoyodyne was sold to Yahoo! for about $30 million and became Godin Yahoo's vice president of direct marketing. In March 2006, Godin launched Squidoo which was sold to HubPages in 2014. Godin has authored 20 books.

KEY QUOTES



EMOTIONAL INTELLIGENCE

Why It Can Matter More Than IQ

DANIEL GOLEMAN

Introduction

Data suggests that emotional intelligence is a much better predictor of success than academic intelligence in various aspects of life. This was one of the first books to comprehensively review the research, insights and implications of emotional intelligence. The book was organized into 5 parts on the emotional brain, emotional intelligence, applications, societal influences and emotional literacy. In this summary, we've consolidated the insights into 4 sections to explain the biology and neurology behind emotions, the dangers of emotional illiteracy, and how to develop emotional intelligence for better outcomes.

1. Emotions and the Human Brain

Emotions are strong impulses that drive us to take action. They're nature's way to guide our actions, primarily to help us survive.

- Each emotion primes us for a *different type of action*. For example, anger increases our heart-rate and blood circulation to unlock energy so we can confront an enemy. Surprise causes the eyes to widen so we can take in more of our surroundings to figure out what's happening. Love helps us to relax, cooperate and feel contented.

- Our biological makeup comes from 50,000 generations of evolution. Yet our lifestyle has changed drastically in the last 5-10 generations alone. Our biological evolution hasn't caught up with our new realities, and problems arise when our emotions are *out of sync* with the situation.

KEY QUOTES

"Emotional intelligence [is] a meta-ability, determining how well or how poorly people are able to use their other mental capacities."

"All emotions are, in essence, impulses to act, the instant plans for handling life that evolution has instilled in us."

The Architecture of the Human Brain

The human brain is about 3x the size of primates'. It evolved from the bottom-up over millions of years.

- The *brainstem* (at the top of the spinal cord) is the most "primitive" part of the brain. It runs our body's key functions (e.g. breathing, digestion) automatically.

- The first mammals developed a new *limbic system* on top of the brainstem. This is responsible for our basic emotions, and gives us the ability to learn and adapt to new environments.

- About 100mil years ago, the *neocortex* (or frontal lobe) was formed on top of the limbic system. This is our rational mind or thought-center, which enables us to integrate and analyze data, manage our senses and emotions, and make conscious decisions. Humans (*Homo Sapiens*) have a much larger neocortex than other species, giving us superior intellect and a much wider range of responses.

So, we effectively have 2 minds: an emotional mind that's intuitive and impulsive, and a rational mind that's thoughtful and analytical.

- Since our thinking brain evolved from our emotional brain, *our thoughts and feelings are linked*. Most of the time, they feed off each other to provide deeper insights and help us to make better decisions. However, we can feel conflicted when our logic tells us 1 thing while our feelings tell us another.

- Moreover, our emotional brain is older and more dominant, especially during emergencies. When the amygdala is aroused by intense feelings, it's more likely to *override your rational mind*. This is your body's way of protecting you in times of peril, e.g. you may intuitively jump away from a table before you realize that someone spilt a bowl of hot soup.

KEY QUOTES

"In a very real sense we have two minds, one that thinks and one that feels....These two fundamentally different ways of knowing interact to construct our mental life."

What Happens During Emotional Hijacking

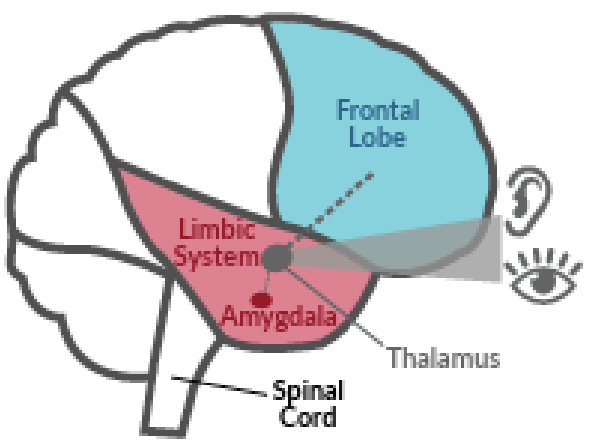
Emotional hijacking happens when we act on impulse before the logical brain has had the chance to assess the situation and choose a response. For example, we may laugh uncontrollably at a funny incident, or lash out defensively at a snide remark.

The amygdala is the emotional-center of our brain, and we have 2 amygdalas on either side of the brainstem.

- The amygdala is responsible for our *feelings and emotional memory*. Without it, you'll lose the ability to feel and understand others' feelings. You'll also lose all sense of personal values and the desire to compete/collaborate with others.

- The amygdala is constantly scanning for potential threats. Once it perceives a threat, it acts like a *tripwire* to instantly send out a crisis message to the rest of your brain, hijacking most of the brain functions including your rational mind.

- Sensory information from our eyes/ears go to the brain's thalamus. From there, 1 synapse goes to the neocortex which processes the signals before routing them to other parts of the brain (including the amygdala). Another synapse goes directly from the thalamus to the amygdala. The amygdala can react faster than the neocortex since (i) its pathway to the thalamus is shorter and smaller, and (ii) the neocortex takes a moment to process the data before responding.



- Our brain stores "normal" facts separately from emotionally-charged ones. *Emotional memories* are stored in the amygdala as raw impressions. The stronger the feelings (e.g. extreme thrill or fear), the deeper the imprint on the amygdala. When the amygdala encounters something associated with an old memory,

KEY QUOTES

"The amygdala acts as a storehouse of emotional memory, and thus of significance itself; life without the amygdala is a life stripped of personal meanings."

"Our emotions have a mind of their own, one which can hold views quite independently of our rational mind."

it will trigger a similar response. That's why we may instantly like or dislike something without knowing why.

- Unlike the neocortex, our amygdala is almost fully-formed at birth. This allows us to accumulate emotional memories even before we have the language/logic to articulate those experiences. These memories influence us throughout our lives in the form of raw, unconscious impulses. *Problems arise* when:

  (i) The amygdala's memory is *out of date*, e.g. a former army nurse is terrified by the smell of her toddler's diaper because it reminds her of the stink of the battlefield.

  (ii) It brings *errors and false alarms*. The thalamus' signal to the amygdala is meant as a rough warning, and contains only a fraction of the data sent to the neocortex. So, the amygdala doesn't have the full picture and reacts based on a few pieces of the puzzle.

Usually when an emotion is triggered, the prefrontal lobes will assess the situation and decide on the best course of action, e.g. whether to attack, flee, soothe, persuade, etc.

- The neocortex *manages our emotions* by (i) dampening the limbic center's activation signals while it processes the inputs, and (ii) providing an off-switch to moderate emotional surges. For example, you feel a wave of panic when you hear a series of gun-shots, then calm down when you realize they're just fire-crackers.

- Typically, your rational thoughts and emotions work together. *You need emotions for effective thought*, e.g. to choose a life partner or to weigh your priorities. A patient who lost the link between his 2 brains during a surgery could still think logically but lost all awareness of his feelings and preferences.

- Yet, *strong feelings can disrupt your cognitive ability*, making it hard to think clearly. Emotional trauma can also impair learning and increase the risks of depression, alcoholism, drugs, crime etc.

KEY QUOTES

"In the dance of feeling and thought the emotional faculty guides our moment-to-moment decisions, working hand-inhand with the rational mind, enabling—or disabling—thought itself."

"IQ and emotional intelligence are not opposing competencies, but rather separate ones."

"Academic intelligence has little to do with emotional life...people with high IQs can be stunningly poor pilots of their private lives."

"Intelligence can come to nothing when the emotions hold away."

2. Emotional Intelligence

Emotional intelligence refers to your ability to exert self-control, regulate your moods, empathize with others, and motivate yourself to persist in face of setbacks.

Research suggests that a person's intelligence quotient (or "IQ") accounts for only 20% of our success in life. The remaining 80% comes from non-IQ factors, such as luck, social class and emotional intelligence.

- No matter how smart you are, you won't do well if you can't manage your emotional impulses. Children and adults with strong *emotional skills* were found to be more effective, contented, focused and productive, while being less likely to be sabotaged by internal turmoil.
- Moreover, IQ is fixed while *emotional intelligence can be learned*.

Goleman did a detailed review of the theories and insights from numerous researchers and psychologists, and presented 5 components of emotional intelligence (EI): self-awareness, self-regulation, self-motivation, empathy and relationship management. In his later books, he organized these into 4 categories: self-awareness, social-awareness, self-management and relationship-management. We'll elaborate on the 5 EI components in the sections below.

Self-Awareness: Know your Emotions

This is about being aware of your emotions as they arise, instead of being swept away by them. Instead of hitting someone with uncontrolled rage, you can observe that "I'm furious with him."

- This awareness shifts your mental activities to the *neocortex*, so your unconscious gut-feelings become conscious. You can evaluate your experience, and even notice your feelings about your feelings. This helps you to choose your responses and make sound decisions. For example, if you know why you're feeling irritable,

KEY QUOTES

"Intellect cannot work at its best without emotional intelligence."

"An inability to notice our true feelings leaves us at their mercy."

you can do something fix it, or simply shrug it off and move on.

- The stronger your emotional awareness, the more you'll be aware of what used to be unconscious, e.g. your deepest fears or desires. People who're self-aware generally have *more clarity and control* over their emotions. They enjoy better psychological health compared to people who get engulfed by their feelings, or passively accept their moods without trying to manage them.

Self-Regulation: Manage your Responses

We usually can't control our emotions when they first surface. However, once we're aware of them, we can manage our response to (i) determine how long those feelings last, and (ii) react in a way that's appropriate for the situation.

- *We need both "good" and "bad" feelings*. People who experience intense sadness and pain can still be mentally and emotionally healthy if they also feel extreme joy and happiness.

- Managing your emotions involves the *ability to soothe yourself* so you won't be incapacitated by feelings of distress, and can bounce back more quickly from setbacks. Anger, anxiety and sadness are 3 common feelings that people struggle with.

We get angry when we feel attacked physically or symbolically, e.g. when someone threatens or insults us. Anger brings a rush of energy to prime us for action, making it easier for the next strong feeling to trigger an emotional hijack. After a frustrating day, you're more likely to blow up at someone.

- Don't dwell on the reasons for your anger. One self-righteous thought will lead to another to *fuel your rage*. Giving vent to your anger also increases your arousal to make you more angry.

KEY QUOTES

"Emotions that simmer beneath the threshold of awareness can have a powerful impact on how we perceive and react, even though we have no idea they are at work."

"Downs as well as ups spice life, but need to be in balance."

"Anyone can become angry—that is easy. But to be angry with the right person, to the right degree, at the right time, for the right purpose, and in the right way—this is not easy."
—Aristotle

"Anger builds on anger...rage, unhampered by reason, easily erupts in violence."

- The best way to quench your anger is to pause asap and *consider the opposite perspective*. For example, if a driver cuts in right in front of you, you may rage at how the selfish bastard almost killed you with his careless driving. Diffuse your anger by reframing your assumptions, e.g. consider that he may not have seen you, or is having an emergency.

- Once your anger has escalated beyond a certain point, no amount of reasoning will help. In such cases, try to *cool down* first: go for a long walk, try some relaxation techniques, or exercise to release steam. The key is to distract yourself from the source of the anger.

When we're anxious, we tend to replay the problem in our minds to try and find a solution. However, we often get stuck in an unproductive worry-loop. Anxiety may come in the form of worrisome thoughts and or physiological symptoms (e.g. sweating, heart pounding).

- Chronic worrying tends to involve a *catastrophic image* which leads to all sorts of imaginary causes and outcomes. Chronic worriers may obsess over unlikely problems, then convince themselves that they had prevented the disaster from happening in the first place.

- To *overcome anxiety*: (i) recognize the cues for anxiety before you spiral downward, (ii) use relaxation techniques to ease your tension, and (iii) challenge the worrisome thought. Ask yourself: what's the probability of it occurring and what can you do to address it? If there's nothing you can do, then there's no point worrying. In extreme cases, you may need medication/therapy to disrupt the cycle of anxiety.

We feel sad when we've lost something or someone important. Melancholy helps us to shut down temporarily, conserve our energy, mourn the loss and regroup. However, you can fall into despair if you dwell on bad feelings without a viable course of action (e.g. thinking how tired/useless you are). You end up making mistakes, getting fired, etc. to worsen your confidence and negative feelings.

- To *overcome depression*:

  (i) Challenge and reframe the depressing thoughts.

KEY QUOTES

"Brooding fuels anger's flames. But seeing things differently douses those flames."

"Empathy is a balm for anger."

"Bereavement is useful; full-blown depression is not."

"A passive immersion in the sadness simply makes it worse."

(ii) Distract yourself with pleasant activities (e.g. exercise, watch a funny movie, read an uplifting book).

(iii) Engineer a small win, e.g. dress up or finish some chores.

(iv) Help others in need or compare with those who're worse-off.

(v) Turn to a transcendent power e.g. praying to God.

Self-Motivation: Channel your Emotions Productively

This is about managing your impulses so they support your goals, including the ability to delay gratification, stay motivated, and channel your feelings productively.

The ability to delay gratification is an important emotional skill. In a study, 4 y.o. kids were given a choice: they could eat a marshmallow right away, or have 2 marshmallows if they waited for about 15min. The kids who held out for 2 marshmallows grew up to be more confident, reliable, and socially competent adolescents. They handled challenges better and had higher SAT scores (compared to the kids who couldn't resist grabbing the marshmallows).

When we face setbacks, people who get distressed cannot focus, learn or solve problems effectively. Those who stay motivated and persistent end up being more successful in all areas of life.

- Our *moods* affect our mental state. Bad moods tend to call up negative memories to make us more cautious and constrictive. Good moods, on the other hand, tend to enhance our creativity and problem-solving capacity. People who're consumed by worries also have little/no mental capacity left for their tasks.

- When faced with challenges, our *self-efficacy*—the belief that we can prevail—predicts how far we persist and how well we bounce back from failures. Being *hopeful* about the future also helps us to take constructive steps forward, instead of simply giving up.

KEY QUOTES

"Disputing the depressing thoughts vanquishes the gathering mood of gloom."

"Marshaling emotions in the service of a goal is essential for paying attention, for self-motivation and mastery, and for creativity."

"Emotions out of control impede the intellect."

"From the perspective of emotional intelligence, having hope means that one will not give in to overwhelming anxiety, a defeatist attitude, or depression in the face of difficult challenges or setbacks."

- Famous psychologist Martin Seligman found that *optimists* tend to perform much better than pessimists because:

  (i) Optimists attribute failure to something specific within their control, e.g. "I failed because I used the wrong approach." So, they'll be motivated to find new solutions.

  (ii) Pessimists blame their failure on a broad reason beyond their control, e.g. "I'm just too stupid to get this right."

Mihaly Csikszentmihalyi used the term "flow" to describe people who're fully-absorbed in a state of enjoyable peak performance.

- People who're in flow learn faster, perform better, and feel joy and fulfillment from the task. This is *emotional intelligence at its peak*, since you're stretching yourself and harnessing your inner strengths without any anxiety.

- To *get in flow*, find a task you're skilled at, focus your attention on it and perform just at the edge of your current abilities, so you're neither bored nor anxious.

Empathy: Recognize others' emotions

People who are empathic are more attuned to others' needs and wants, making them more effective in a range of social interactions. However, to notice and influence others' emotions, you must first be able to know and manage your own emotions.

- Humans have a natural tendency to *mirror or mimic* others' expressions or nonverbal cues. We can sense and even "catch" others' moods. People who're more forceful in expressing their feelings tend to transmit their feelings to others. The more physically-attuned 2 parties are, the more synchronized their moods will become. By sending the right signals, great leaders and performers can move a huge audience.

Thomas Hatch and Howard Gardner identified 4 components of interpersonal intelligence:

KEY QUOTES

"Flow occurs in that delicate zone between boredom and anxiety."

"Attunement to others demands a modicum of calm in oneself."

"We are all part of each other's tool kit for emotional change, for better or for worse."

- Organizing groups: to initiative and coordinate people's efforts;
- Negotiating solutions: to prevent, mediate or resolve conflicts;
- Personal connection: to get along with others by empathizing and connecting with them; and
- Social analysis: to identify and understand others' feelings, motives, and concerns.

People who lack these skills are socially-inept and awkward in social settings. They tend to get alienated or rejected because they have a poor sense of personal space, misinterpret others' body language, or fail to project the right cues.

Relationship Management: Manage others' emotions

Managing relationships is largely about managing emotions in others, which is partially addressed above. In the next section, we'll examine how all 5 components of emotional intelligence come together to affect outcomes in various aspects of life.

3. Applying Emotional Intelligence

Emotional Intelligence in Marriage

Divorce rates have been rising, as social pressure for couples to stay married declined over the generations. Emotional intelligence is now more crucial than ever to hold a marriage together.

A starting point is to recognize gender differences in handling relationships. From young, girls are socialized to be less outwardly-aggressive than boys. Adults are more likely to talk to girls about emotions and tend to their hurts, while boys are expected to be independent and "rough it out". The 2 genders end up with different emotional skills. Men tend to value independence while women value

KEY QUOTES

"Being able to manage emotions in someone else is the core of the art of handling relationships."

"The art of relationships is, in large part, skill in managing emotions in others."

"Boys take pride in a lone, tough-minded independence and autonomy, while girls see themselves as part of a web of connectedness."

connection. In a marriage, women usually prefer to talk through relationship issues. They get upset when the husbands avoid such discussions or fail to notice their feelings.

John Gottman has studied hundreds of couples in a lab-setting, and can predict (with a 94% accuracy) if a couple will divorce within 3 years. Key warning signals in a relationship include:

- *Harsh criticisms* that target the person ("You're a selfish jerk"), instead of an action ("You didn't fix the rack as promised");
- Criticisms delivered regularly with *contempt* (including words/tone that convey disgust or insult, like "bitch" or "wimp"); and
- *Stonewalling*, where one party withdraws into stony silence.

These behaviors cause hurt and trigger defensive responses in the other party (counterattack or withdrawal) to further injure the relationship.

There are 2 parallel conversions in any communication: what's said vs what's unsaid. You may say, "Would you like to check why the kids are screaming?" when you're thinking, "He just can't be bothered to help out." Your spouse detects and responds to the underlying toxic thoughts/feelings, triggering an emotional hijack.

- The more emotional hijacking occurs, the harder it is for the couple to recover. Gottman calls this "*flooding*". When a partner is continually flooded, he/she feels overwhelmed and thinks the worst of the other party. By this stage, even a harmless comment or gesture can spark a flooding, preventing the couple from working things out cordially.
- Men are more prone to flooding, get triggered at lower levels, and take longer to recover. They're also more likely to stonewall, which can cause huge emotional distress to their wives. She retaliates by criticizing him (which only triggers him further), and the situation *escalates out of control*.

KEY QUOTES

"When grievances simmer, they build and build in intensity until there's an explosion; when they are aired and worked out, it takes the pressure off."

The solution is for couples to develop shared emotional intelligence, so you can break the vicious cycle and work things out before it's too late. Here are several key competencies to master:

- Recognize *gender differences* and agree on how to disagree:

  (i) *Men*: realize that your wife is bringing up a grievance not to attack you, but to improve the relationship. Even if you disagree with her views, you can listen and empathize with her feelings. Often she'll calm down once she feels heard.

  (ii) *Women*: be mindful not to use personal criticisms or show contempt. Reassure your spouse that you love him.

- Learn to *calm yourself and your partner*. Monitor your pulse rates during an upsetting discussion, and take a 20-min break once your pulse exceeds the normal rate by 10 beats/min (which signals the onset of flooding). Or, agree prior that either party can call for a time-out if you notice signs of flooding.

- *Detoxify your self-talk*. Catch your negative thoughts/ feelings of victimization or self-righteousness (e.g. "I don't deserve this"). Pause to look for evidence to the contrary.

- Use Haim Ginott's *XYZ formula* to express a complaint constructively: "When you did X, it made me feel Y, and I'd rather you did Z instead."

- *Listen and empathize*. Learn to listen past the anger, e.g. if your wife shouts "Stop interrupting me!", focus on the message (and let her finish) instead of her tone. Calm down enough to listen for the feelings behind the words—if you can empathize with or mirror your partner's feelings, it'll quickly soothe the negative feelings. To shift to the positive, express your love for them, respect their viewpoint (even if you don't agree with it), and express something you appreciate about them.

Such responses won't develop overnight. You must practice enough until they become your default response during an emotional crisis.

KEY QUOTES

"Men and women, in general, need different emotional finetuning."

"Listening is a skill that keeps couples together."

Emotional Intelligence at the Workplace

Job satisfaction can be boosted by emotional competences, e.g. being attuned to own/others' feelings, effective conflict management, and the ability to regularly work in flow. On the other hand, low morale and cowed workers often lead to lower productivity, more errors and accidents.

Managers can apply emotional intelligence in 3 key ways:

- *Giving feedback effectively*. We need feedback to know what's expected of us, where we stand, and where to improve.

  (i) Avoid harsh personal criticisms or general complaints like "you always screw up". These are counter-productive since the receiving party will simply get defensive and ignore the message.

  (ii) Instead, focus specifically on what was done well, what was done poorly, and how it can be changed. Ideally, do this face to face.

- *Harnessing diversity*. Workplace diversity can enhance creativity and entrepreneurial spirit, and provide a real competitive advantage in a global marketplace.

  (i) It's a human instinct to be loyal to our groups and to be hostile to outsiders. Our personal prejudices are formed since childhood and are hard to change. We may not even be aware of our biases and stereotypes.

  (ii) You can't remove personal biases, but you can stop them from being expressed. Make discrimination and harassment explicitly unacceptable in your company, and never turn a blind eye to such acts. Train your people on the benefits of diversity, and how to effectively speak up against prejudices (using a similar approach as effective feedback).

- Research suggests that one of the best ways to tap on intellectual capital is to *improve how people work together*.

  (i) The success of a group depends less on individuals' IQ than the group IQ, i.e. how far they can create internal harmony to tap on team members' talents.

KEY QUOTES

"Leadership is not domination, but the art of persuading people to work toward a common goal."

"How criticisms are given and received goes a long way in determining how satisfied people are with their work, with those they work with, and with those to whom they are responsible."

"The psychological price of loyalty to one's own group can be antipathy toward another."

"It is more practical to try to suppress the expression of bias rather than trying to eliminate the attitude itself."

(ii) Star performers don't shine due to their superior intellect, but how they motivate themselves, build trust/rapport to tap into people's ideas/info, and coordinate their teams' efforts.

Emotional Intelligence in Health and Medicine

The medical definition of a disease is very different from a patient's experience of the disease. There's now strong evidence that patients' emotional states can affect their disease progression and recovery.

In the book, Goleman provides an extensive review of research findings on the link between emotions and health. In a nutshell, our emotions affect our nervous system and a range of hormones, which in turn affect our immune system.

- Specifically, *chronic anger, anxiety, and depression* can increase people's susceptibility to diseases, impede recovery and increase the risk of death.

  (i) People subject to prolonged anxiety and distress tend to suffer from poorer immunity and the onset of diseases (from heart disease to diabetes, asthma, and gastrointestinal disorders). Existing patients' symptoms are also worsened by stress and emotional distress.

  (ii) Of all the emotions, anger is the most closely linked with risks of death from heart disease. Anger may trigger other emotions, flooding the body with stress hormones that increase the risks of cardiac arrest.

  (iii) Depression worsens a range of health conditions, partially because the depressed patients are less compliant with their medical regimes. The sense of social isolation can also double the chance of illnesses or death.

- By contrast, *positive feelings and social support* seem to help with health and recovery.

  (i) *Optimistic* patients are less likely than pessimistic patients to die after a heart attack. They also recover faster from a bypass surgery and paralyzing spinal injuries.

KEY QUOTES

"Historically, medicine in modern society has defined its mission in terms of curing disease—the medical disorder—while overlooking illness —the patient's experience of disease."

"Having people to turn to and talk with, people who could offer solace, help, and suggestions, protected them from the deadly impact of life's rigors and trauma."

(ii) The number and quality of your *relationships* also seem to buffer the effects of stress. Bone marrow transplant patients and heart-attack survivors recovered faster and survived longer if they had close ties and emotional support.

Medical care professionals should address patients' psychological needs along with their medical needs.

- Teach patients to use relaxation techniques and to *soothe themselves* (including chronic anger, anxiety, depression and pessimism). Heart-attack patients who received anger-control training had 44% lower heart attack rates. Medical patients who receive psychotherapy in addition to surgery/medicine also fared better than those with a medical treatment alone.

- Encourage them to get *social support*. Patients with advanced breast cancer survived 2x as long when they attended weekly meetings with other patients (compared to those who coped on their own).

- Address patients' *unanswered questions* (which may spark fears and uncertainty) by proactively offering information or giving patients options for self-research.

- *Emotional intelligence* can even be incorporated into health education and disease prevention programs for (i) children (to build the right emotional foundations), (ii) people reaching retirement age (to help them cope with the aging process), and (iii) at-risk people (to help them cope with daily stress).

4. Windows of Opportunity for Change

The Role of Family

Children learn their first lessons on emotions through family life.

- From their time in the cot, babies start to develop a basic level of *trust/distrust* in human interactions, e.g. whether

KEY QUOTES

"Family life is our first school for emotional learning; in this intimate cauldron we learn how to feel about ourselves and how others will react to our feelings; how to think about these feelings and what choices we have in reacting; how to read and express hopes and fears."

their needs will be noticed and tended to when they cry. By the age of 3-4, toddlers' brains reach two-thirds of the adult size—distress during this period can impair the brain's learning centers with long-term implications.

- As children grow up, their daily interactions with adults also reinforce their *emotional outlook and skills*. Those who receive consistent encouragement tend to be more curious, confident and enjoy learning. Children who suffer from neglect end up even worse off than those who're abused.

Parents' emotional intelligence impact their children's emotional skills, since the children learn from what their parents say and do.

- Children who're *violently punished* since young (instead of being consoled) fail to learn what "care and concern" means. When other children get upset, they respond with aggression because that's the only approach they know. The severe lack of emotional skills often leads to learning difficulties, rejection by peers, and higher risks of depression or crime by adulthood.

- The *3 worst parenting styles* are: (i) ignoring children's emotional upsets, (ii) accepting feelings passively (without managing them), or (iii) responding to feelings with contempt (e.g. dismissing children's feelings or disallowing them to express their feelings).

- The *best results* come from parents who use children's upsets as opportunities to coach them to identify, and soothe/manage their feelings. These children tend to be physiologically healthier and are well-liked by their peers and teachers.

Conquering your Temperaments

We're each born with temperaments, or basic dispositions based on our genetic makeup. Psychologist Jerome Kagan found at least 4 temperament types—timid, bold, upbeat, and melancholy—due to differences in the brain's emotional circuits. These affect (a) how easily a feeling is triggered, (b) how long it lasts, and (c) how intense it becomes.

KEY QUOTES

"Emotionally adept parents can do much to help their children with each of the basics of emotional intelligence: learning how to recognize, manage, and harness their feelings; empathizing; and handling the feelings that arise in their relationships."

- *Timid* people have neural circuits that're more easily triggered, e.g. their hearts start to beat faster even at low levels of stress. They avoid new/unfamiliar situations and are more prone to stress-related problems including heart palpitations and panic attacks. By contrast, *bold* people have higher natural thresholds for stress and uncertainty.

- *Upbeat* people have more activity in their left frontal lobes (associated with positive moods). They can stay unfazed and cheerful no matter the situation. On the other hand, *melancholy* people have a more active right frontal lobe. They're more prone to negative moods and emotional disorders.

Such genetic differences stay with us for life, but our innate predispositions can be magnified or dampened by our childhood experiences.

- For example, infants with an easily-excitable amygdala can relearn their responses by kindergarten if their parents encourage them to overcome their fears instead of coddling or protecting them. Each time they calm themselves when they're afraid, their *prefrontal circuits* get to practice moderating the knee-jerk reactions of the amygdala.

- Many systems in our body have a *critical formative period*, during which the changes have a disproportionate impact on our subsequent development.

  (i) If a child's eye is taped close for just a few weeks during the formative window, fewer synapses will be developed in that part of the brain, and the child will suffer from impaired vision in that eye even after the tape is removed.

  (ii) At 10-18 months, the orbitofrontal area of the prefrontal cortex goes through a critical period of growth. During this period, if infants are picked up and held each time they cried, it'll reinforce the links between the neocortex and limbic brain. The neocortex becomes more effective in switching off distressful emotions, so the infants can soothe themselves.

- Our brains continue to *change throughout our lives*. Patients with obsessive-compulsive disorders (OCD) could

KEY QUOTES

"The emotional lessons of childhood can have a profound impact on temperament, either amplifying or muting an innate predisposition."

change their brain circuits if they repeatedly exposed themselves to the item of obsession, forced themselves not to act upon it and questioned their fears.

The Costs of Emotional Illiteracy

The habits formed in childhood are critical because they define the brain's synaptic wiring. The more these are reinforced over time, the harder they are to change.

Yet, in many countries, there's a disturbing rise of juvenile drug use, violent crimes, unwanted pregnancies, mental illness and suicides. This is partially due to the lack of parental guidance as children grow up in single-parent or dual-income families. Symptoms of emotional illiteracy include: withdrawals and social issues, anxiety and depression, attention deficit, delinquent or aggressive behaviors.

- *Bullies* wrongly assume that they're being threatened or slighted. They jump into an antagonistic response without considering alternatives, thus building/reinforcing unhelpful mental circuits and beliefs like "only cowards back down during a fight."

- *Depression* in children/teens usually stem from a lack of relationship skills and the tendency to interpret setbacks in a pessimistic way. Each time they do badly in school or get rejected by peers, they attribute it to a fundamental flaw in themselves, reinforcing the sense of helplessness and despair.

- Children with *eating disorders* (bulimia, anorexia, or binge eating) or *alcohol/drug abuse* also use food, alcohol or drugs as a form of "self-medication" to escape their negative feelings.

Such problems can be minimized (or even prevented) by teaching children to adopt an optimistic view of challenges, identify and soothe their distress, and connect to a support network. Emotional-management training has been found to benefit all the issues above, and even to buffer the harmful effects of poverty and abuse. Without proper intervention, the emotional issues can take root and get

KEY QUOTES

"Temperament is not destiny."

amplified by adulthood. A good emotional literacy program should cover the range of competencies outlined above, including self-awareness, impulse control, evaluating options/ consequences, and interpersonal skills.

Trauma and Emotional Relearning

Most emotional trauma can be healed. Post-traumatic stress disorder (PTSD) is actually a form of limbic disorder. The traumatic experience is so vividly imprinted in the emotional circuits that the amygdala sounds the alarm at every cue that reminds it of the trauma. Someone who was mugged in a lift may be afraid of elevators and enclosed spaces, or panic whenever they see someone wearing a cap.

The best way to recover is to get patients to relearn their encounter and retrain the neocortex to manage the amygdala. There're 3 stages in trauma recovery:

- Regaining a sense of *safety or control*, by using medication or relaxation techniques to provide a window of calmness.

- *Acknowledging the trauma and the loss it brought.*

  (i) By recounting the details of the trauma and putting your feelings into words, you extract the subconscious elements from amygdala to be processed by the neocortex, so you can understand and moderate those feelings. This must be done in a safe environment (e.g. with the help of a therapist), so the brain can recreate the scene without the same terror. With each retelling, the trauma loses its grip until the victim can fully mourn his/her losses and move on.

  (ii) You can also get the trauma victims to express themselves using art as an emotional outlet and a window to recovery.

  (iii) Children tend to use games as an outlet. After a tragic shootout in an elementary school, the kids started to reenact the shooting scene with toy guys, except in their games they may get to "win" by killing the gunman. This helped them to regain a sense of control and come to terms with the trauma.

KEY QUOTES

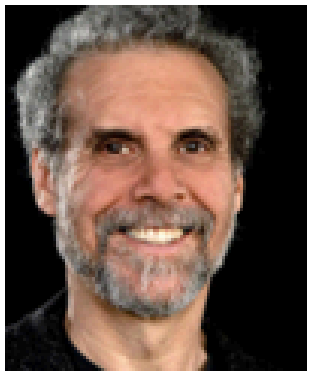
"Emotional lessons—even the most deeply implanted habits of the heart learned in childhood—can be reshaped. Emotional learning is lifelong."

- *Re-establishing a normal life*. PTSD patients may continue to experience symptoms throughout their lives, but the traumatic memories no longer explode uncontrollably and they can revisit the memory without falling apart.

Other Details in the Book to Look out For

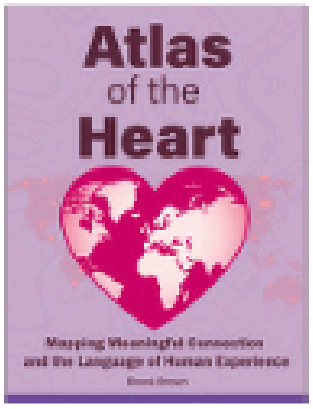
This book is packed with academic research, studies and examples about the human brain, psychology, and behavioral sciences. Goleman also includes appendices on emotions, the emotional mind, fear neural circuits, and the list of active ingredients for prevention programs. For more details please visit www.danielgoleman.info.

About the Author



Daniel Goleman (born 1946) is a psychologist, author, and science journalist. He was a visiting lecturer to Harvard, and wrote for The New York Times for 12 years, reporting on the brain and behavioral sciences. Besides authoring and coauthoring several books, he also cofounded the Collaborative for Academic, Social, and Emotional Learning, co-directed the Consortium for Research on Emotional Intelligence in Organizations and sat on the board of the Mind & Life Institute.

KEY QUOTES



ATLAS OF THE HEART

Mapping Meaningful Connection and the Language of Human Experience

Brené Brown

The Big "So What"

Do you sometimes feel misunderstood or struggle to explain how you feel? *Atlas of the Heart* equips you with the emotional language to understand and communicate how you feel, build stronger relationships, and navigate life experiences with greater clarity.

Introduction: Mapping the Human Experience

Language helps us make sense of and navigate life experiences; it affects our decisions, behaviors, and relationships. By naming our emotions, we gain clarity on what we feel and why, facilitating emotion regulation and psychosocial well-being.

In this book, Brené Brown maps out 87 human emotions and experiences (or thoughts that lead to emotions) to help us identify, understand, and talk about the feelings that shape our lives.

- It categorizes emotions into *13 "places" we go when we experience life situations*. By thinking of our emotions and experiences as places, we can consider questions like: Where am I? How did I get here? How do I move to where I want to be?

- Brown's insights are based on more than 20 years of studying *emotions, vulnerability, and human connection*. This includes an extensive review of over 1,500 academic publications, and analyzing thousands of stories and experiences.

KEY QUOTES

"I want this book to be an atlas for all of us, because I believe that with an adventurous heart and the right maps, we can travel anywhere and never fear losing ourselves. Even when we don't know where we are."

"Language is our portal to meaning-making, connection, healing, learning, and self-awareness. Having access to the right words can open up entire universes."

"Naming an experience doesn't give the experience more power, it gives us the power of understanding and meaning."

Mapping out the 87 Emotions

As you explore each "place" on the atlas, consider how emotions manifest in your life in 4 ways:

- *Biology*: How emotions physically manifest in your body;
- *Biography*: How your family, upbringing, and culture shape your emotional responses;
- *Behavior*: The habitual ways you react to emotions; and
- *Backstory*: The triggers or contexts that lead to these emotions.

1. Places We Go When Things Are Uncertain or Overwhelming

Stress is the feeling of being overburdened by external demands. It's linked to a sense of uncertainty and lack of control. It triggers physical, mental, and emotional responses in our body, such as increased heart rate and cortisol production.

- The level of stress is determined more by our *perception* of how well we're coping, rather than the actual demands.

KEY QUOTES

"Human emotions and experiences are layers of biology, biography, behavior, and backstory."

"Without understanding how our feelings, thoughts, and behaviors work together, it's almost impossible to find our way back to ourselves and each other."

"Feeling stressed and feeling overwhelmed seem to be related to our perception of how we are coping with our current situation and our ability to handle the accompanying emotions."

A buildup of stress leads to overwhelm, where we feel paralyzed because there's too much happening at once. We lose mental clarity and tend to make poor decisions.

- Stress feels like you're struggling with your tasks, while overwhelm *feels like you're drowning* and unable to function.
- The best solution is to *take a break*—to engage in play or do nothing—to recover and reset your mental state.

Anxiety involves tension, worry, and a growing sense of uncertainty and loss of control. We tend to dwell on worst-case scenarios, which amplifies the sense of helplessness. It also manifests physically through increased heart rate, muscle tension, restlessness, etc.

- Anxiety can be a temporary response (*state*), or it can be a more permanent part of your personality (*trait*). People with persistent or chronic anxiety might require professional support.

Worry and avoidance are 2 ineffective ways of coping with anxiety:

- *Worrying* or repeatedly thinking about negative possibilities wastes mental energy and reinforces anxiety.
- *Avoidance* or dodging the causes of anxiety might offer relief in the moment, but increases anxiety in the long run.

It's more effective to reframe anxious feelings as excitement. Both feelings bring similar physical sensations like increased heart rate and energy. By relabeling your feelings—telling yourself you're excited, not anxious—you can positively shift your perception of the experience.

Dread and fear are closely associated with anxiety.

- *Dread* is a form of anxiety that arises when you anticipate something negative that feels inevitable. It intensifies as the event draws nearer (e.g. a big presentation or a medical procedure), and you might just want to "get it over with." Acknowledge the dread to prepare yourself mentally, but don't focus on it as it could lead to mental exhaustion.
- *Fear* is an instinctive response to an immediate threat, unlike anxiety which is future-oriented. It's a protective mechanism

KEY QUOTES

"Stressed is being in the weeds. Overwhelmed is being blown."

"Anxiety feels like...escalating loss of control, worst-case scenario thinking and imagery, and total uncertainty."

"Our anxiety often leads to one of two coping mechanisms: worry or avoidance.Unfortunately, neither of these coping strategies is very effective."

"Anxiety and excitement feel the same, but how we interpret and label them can determine how we experience them."

"If we can't handle uncertainty, risk, and emotional exposure in a way that aligns with our values and furthers our organizational goals, we can't lead."

to prepare us for danger. We can learn to distinguish between true danger and irrational fears (e.g. fear of social rejection).

Vulnerability is an emotion experienced during times of uncertainty, risk, or emotional exposure. It's not about "letting your guard down" or exposing yourself unnecessarily. It's about engaging wholeheartedly even if you can't control the outcome.

- It is not a sign of weakness but *an indicator of courage*.

2. Places We Go When We Compare With Others

Comparison is a cognitive process that leads to various feelings. It often happens unconsciously, making it hard to recognize its impact on our behaviors and relationships.

- Comparison is about *trying to fit in and stand out at the same time*. You want to belong, yet you want to be superior to others.
- Both *upward and downward comparisons* can trigger negative emotions like anger, fear, shame, and sadness.
  - (i) When you compare yourself *upward* to someone who seems better off, you may feel inferior, insecure, or inspired.
  - (ii) When you compare yourself *downward* to someone who seems less successful or fortunate, you may feel temporarily superior, but it erodes long-term satisfaction.
- Choose to *refocus on your own path* instead, e.g. focus on your personal progress instead of comparing with others during a task or competition.

Comparison might bring admiration and reverence:

- *Admiration* arises when others' abilities, accomplishments, or characteristics inspire us to become better versions of ourselves. It's not about wanting to be that person, but feeling motivated to improve ourselves.
- *Reverence* is a deeper form of admiration, often linked to a sense of awe. It's about aligning yourself with the qualities you value, and it's usually associated with things/experiences that feel sacred or transcendent, such as religion, nature, or art.

KEY QUOTES

"Vulnerability is not weakness; it's our greatest measure of courage."

"Comparison is the crush of conformity from one side and competition from the other—it's trying to simultaneously fit in and stand out."

"Comparison says, 'Be like everyone else, but better'."

"We can choose connection over comparison."

"While admiration fosters selfbetterment, reverence seems to foster a desire for connection to what we revere—we want to move closer to that thing or person."

Comparison can also cause envy or jealousy.

- *Envy* is about wanting something that someone else possesses, be it *attraction* (appearance or social popularity), *competence* (intelligence, skills, or expertise) or *wealth* (material possessions, financial status, or lifestyle).
  - Envy could be *hostile* (you want what they have and hope they will lose it), or *non-hostile* (you desire what they have without wishing them harm).
  - Acknowledge your feelings of envy and don't allow it to dominate your thoughts and relationships.
- *Jealousy* is the fear of losing something you possess and value to someone else. It usually involves 3 parties in relationships—be it romantic relationships, friendships, or family. For example, you might fear losing your partner's affection to a rival.
  - Some jealousy is normal. But if left unchecked, it can lead to destructive behaviors like possessiveness or aggression.

Resentment involves a mix of frustration, judgment, anger, and envy.

- It's often mistaken for anger, but it actually *stems from envy*. You feel resentful not because of others' behaviors, but because you wish you could do/have the same things.
- To manage resentment, *address the root causes*, such as:
  - (i) Unmet needs, e.g. feeling overburdened or unappreciated because you failed to set boundaries with yourself/others.
  - (ii) Perfectionism, e.g. resenting that others can take it easy or accept lower standards.
  - (iii) Unvoiced or unrealistic expectations that set you up for disappointment.

Schadenfreude is about deriving pleasure from another person's misfortune or suffering.

- It's often driven by *insecurity, inferiority, or fear* arising from:
  - (i) Social comparison: when we see others' failure as a relief or a boost to our own self-esteem; or

KEY QUOTES

"Envy occurs when we want something that another person has. Jealousy is when we fear losing a relationship or a valued part of a relationship that we already have."

"We think jealousy in response to how we feel."

"While resentment is definitely an emotion, I normally recognize it by a familiar thought pattern: What mean and critical thing am I rehearsing saying to this person?"

"Your lack of work is not making me resentful, my lack of rest is making me resentful."

"Nothing that celebrates the humiliation or pain of another person builds lasting connection."

(ii) Groupthink and collective schadenfreude, especially when the suffering person is a rival or part of an opposing group.

- Schadenfreude can feel good in the moment and create a temporary sense of group bonding. But in the long run, it *erodes values* like empathy or kindness, creates guilt, shame, and other negative social dynamics.

Freudenfreude is the pleasure or joy we feel in response to another person's success or happiness. It's the opposite of schadenfreude, reflecting our ability to empathize and share in others' positive emotions.

- It *deepens relationships and builds emotional resilience* by promoting positive social interactions and a sense of community.
- Here are *2 ways to practice freudenfreude*:

(i) *Shoy*: Intentionally share in the joy of someone's success by showing interest and asking follow-up questions; and

(ii) *Bragitude*: Expressing gratitude to those who celebrate your success.

3. Places We Go When Things Don't Go as Planned

Boredom often arises from a lack of stimulation, or when tasks feel repetitive and without purpose.

- How we feel when bored depends on our *levels of autonomy or control*. When we have little control over a boring task, we tend to feel irritated or frustrated. If we have control over the task, we might feel lethargic or disinterested.
- Boredom is actually *essential for creativity*. When we're bored, our minds tend to wander, fueling creativity and problem-solving.

Disappointment occurs when things don't turn out as we expected. The higher the expectation, the greater the disappointment.

- Often, disappointments arise from *silent expectations* that we haven't communicated or even acknowledged to ourselves.

KEY QUOTES

"If this is your flame and the wind picks up, good friends cup their hands around your flame to prevent it from going out. And you do the same for them."

"The lack of stimulation that defines 'being bored' gives our imagination room to play and grow."

"Boredom is your imagination calling to you."
—Sherry Turkle

"Disappointment is unmet expectations. The more significant the expectations, the more significant the disappointment."

These set us up for frustration, especially if they involve outcomes beyond our control (e.g. how others react or respond).

- Some people try to *avoid disappointment* by reducing their expectations and adopting a cynical view of life. They end up numbing their emotions and felling unfulfilled.

- The best way to manage disappointment is by *reality-checking our expectations and communicating them clearly*. We will still get disappointed, but it's easier to navigate the experience when there's a shared understanding of what went wrong.

Regret occurs when we don't get the outcomes we wanted or hoped for, and wish we had made different choices.

- Unlike disappointment, which is often about events outside our control, regret involves personal responsibility. In the short term, we tend to regret actions that led to undesirable outcomes. But in the long term, we tend to *regret the actions we didn't take* and their missed opportunities.

- *Regret can be a powerful teacher*. Analyze your regrets to gain wisdom and make more courageous decisions in the future. Practice self-compassion to take accountability in a healthy way.

Discouragement is the loss of confidence or motivation, usually after repeated failures, persistent lack of progress, or unmet expectations. However, you might still take action.

Resignation is the sense of futility that no matter what you do, things won't improve. You lose hope and stop trying.

Frustration is the feeling that arises when your goals are obstructed. It overlaps with anger, but with a key difference—With anger, you feel you can still do something to fix the situation; with frustration it feels like there's nothing you can do.

4. Places We Go When Things Are Beyond Us

Awe is the feeling from encountering something so vast or unfamiliar—be it nature, art, or a powerful idea—that it challenges our understanding of the world. It's more passive in nature, leading us to observe the phenomenon in amazement.

KEY QUOTES

"There are too many people in the world today who decide to live disappointed rather than risk feeling disappointment."

"Communicating our expectations is brave and vulnerable."

"If you have no regrets, or you intentionally set out to live without regrets, I think you're missing the power of regret to teach us."

"Regrets about not taking chances have made me braver. Regrets about shaming or blaming people I care about have made me more thoughtful."

"When feeling awe, we tend to simply stand back and observe...Wonder fuels our passion for exploration and learning, for curiosity and adventure."

Wonder, on the other hand, sparks our curiosity and amazement. It energizes us and inspires us actively explore, ask questions, and learn/understand more.

Confusion occurs when we face something we can't understand or information that conflicts with what we know.

- It's an uncomfortable feeling that makes us question what we know, and it's essential for learning and growth. "*Optimal confusion*" helps us to seek out answers, solve problems, and learn more deeply.

Curiosity is the desire to learn, explore, or close a knowledge gap.

- It can be both a trait (e.g. being naturally curious) and a state (e.g. being curious about something specific). It drives us to *actively question, investigate, and discover*, unlike interest which is more passive.

Interest is more of a cognitive state, when you're focused and open to something that's appealing, relevant, or engaging. You can be interested but not curious; but you can't be curious without being first interested.

Surprise occurs when something unexpected interrupts our mental flow and makes us reevaluate the situation.

- Surprise serves as a *bridge* between our thought and feelings. It's a fleeting emotion that fades within seconds, once the rational brain processes the situation.

- It also *amplifies emotion*: the more unexpected the event, the stronger the emotional response afterward. That's why surprising news is more likely to be shared and surprising messages more likely to get noticed.

5. Places We Go When Things Aren't What They Seem

Amusement is a light, playful emotion typically triggered by humor or unexpected situations.

- It's usually brief, providing a *momentary relief from stress*, and creating social bonds through a sense of humor, playfulness, and camaraderie.

KEY QUOTES

"Confusion, like many uncomfortable things in life, is vital for learning."

"We have to have some level of knowledge or awareness before we can become curious. We aren't curious about something we are unaware of or know nothing about."

"With interest, our mind is open to seeing what's there, but with curiosity, we've acknowledged a gap in what we know or understand, and our heart and head are both invested in closing that gap."

"We can think of surprise as 'a bridge between cognition and emotion.' But it's a short bridge!"

Bittersweetness is the mixed feeling of happiness and sadness at the same time. It involves joy from what is, combined with sadness at the impermanence of that joy, e.g. watching your children grow up.

- Bittersweetness is *different from ambivalence* which involves uncertainty or indecision about feelings.

Nostalgia is a bittersweet feeling of remembering the past, with both happiness for those memories and sadness for the loss of those times.

- It involves yearning for the way things used to be, and seeing the past in a way that feels better than they really were. It's a *double-edged sword*, since it can offer a sense of continuity and social connection, but can also be a way to escape current realities by dwelling on the past.

Cognitive dissonance occurs when we hold two conflicting beliefs or ideas simultaneously.

- This is uncomfortable, so we try to *resolve the contradiction* in some way—often by rejecting conflicting information, downplaying their importance, justifying our actions, or changing our beliefs/actions. For example, smokers who know smoking is harmful but continue to smoke might convince themselves that smoking relaxes them, or the risks are exaggerated.

- Don't rush to resolve the discomfort from dissonance. *Remain curious* to uncover deeper insights and growth.

Paradox refers to the coexistence of two seemingly contradictory truths. For example, leaders must be both assertive and empathetic to succeed. Or, we admire vulnerability in others yet we resist showing it ourselves.

- Cognitive dissonance demands resolution, whereas paradox asks that we *accept and live with the tension* between opposites. In the process, we uncover deeper truths about ourselves and the world.

Irony and sarcasm are both ways of saying one thing and meaning something else.

- *Irony* occurs when the surface/literal meaning of our words and actions contradicts the intended meaning, e.g. saying

KEY QUOTES

"Multiple emotions, such as happiness and sadness, may be rapidly vacillating below our consciousness, but our interpretation may be a more integrated emotional experience."

"Nostalgia can be a part of both healthy and unhealthy coping strategies, depending on an individual's personality and coping style."

"It's brave to invite new information to the table, to sit with it and hear it out. It's also rare these days."

"If we're willing to stay with it and stay curious, complexity is one of our greatest teachers."

"Embracing the paradox teaches us how to think deeper and with more complexity...It moves us away from oversimplifying how systems, organizations, and humans work."

"The same way you feel a muscle 'burn' when it's being strengthened, the brain needs to feel some discomfort when it's learning."

"What a beautiful day!" during a rainstorm. It tends to be more subtle, relying on the audience to grasp the contradiction.

- *Sarcasm* is a type of irony where the words are intended to mock, ridicule, or criticize someone. It tends to have a sharp or biting tone to express frustration or disapproval.

- Both irony and sarcasm should be used with care, as they're *often misunderstood*, especially when communicating with someone unfamiliar, during emotionally-charged situations, or in text-based communication. Be mindful of using sarcasm around children, as they usually can't grasp the intended meaning until they're 9-10 years old.

6. Places We Go When We're Hurting

Anguish is an overwhelming mix of shock, grief, incredulity, and powerlessness. These feelings jointly cause so much physical and emotional pain that they can literally bring us to our knees, causing us to collapse in on ourselves.

- Anguish is often experienced in moments of deep trauma or unbearable loss. The sense of powerlessness makes it especially traumatic, since we cannot reverse or change what has happened. It takes *time and support* to gradually recover the pieces of ourselves and re-engage with life again.

Hopelessness is the feeling that things won't improve no matter what you do. You're unable to set realistic goals or find a way to improve the situation.

- It usually arises from *negative life events and thought patterns*, e.g. self-blame or feeling powerless to influence certain outcomes in a job or relationship.

- Prolonged hopelessness often leads to depression and suicidal thoughts. To *cultivate hope*: set realistic goals, find flexible options to achieve those goals, build belief in ourselves, and seek help and support.

Despair is a deeper and wider sense of hopelessness that affects one's entire outlook on life. It leads to the sense that you're trapped in the current suffering with no way out.

KEY QUOTES

"Are you dressing something up in humor that actually requires clarity and honesty?"

"Anguish often causes us to physically crumple in on ourselves, literally bringing us to our knees or forcing us all the way to the ground."

"The human spirit is resilient, and just as we can reclaim our ability to breathe and feel and think, we can rebuild the bones that anguish rips away. But it takes help and time."

"We need hope like we need air. To live without hope is to risk suffocating on hopelessness and despair, risk being crushed by the belief that there is no way out of what is holding us back, no way to get to what we desperately need."

- Use Martin Seligman's 3Ps to *build resilience and manage despair*:

  (i) *Personalization*: Don't blame yourself when things go wrong; recognize that external factors also play a big role.

  (ii) *Permanence*: Remind yourself that setbacks and challenges are temporary.

  (iii) *Pervasiveness*: When something seems to be ruining your whole life, remember that other good things still exist.

Sadness is a natural emotional response to loss, defeat, or disappointment.

- It's unpleasant, but allows us to process difficult experiences. Studies show that sadness can improve focus, make us more resistant to judgment errors, increase generosity or acts of kindness, and improve human connection.

- Unlike clinical depression, sadness is typically *short-term and situational*. Acknowledging sadness is an important step in cultivating self-compassion and empathy for others.

Grief is a complex process that involves many emotions, such as sadness, anger, longing, and guilt.

- Brown's research uncovered *3 core aspects of grief*:

  (i) *Loss*: It includes tangible losses (e.g. death or separation) and intangible losses (e.g. loss of normalcy or security).

  (ii) *Longing*: It involves a deep yearning for what was lost, whether it's a person, a way of life, or a significant event.

  (iii) *Feeling lost*: It requires us to adapt emotionally, physically, and socially, which can be disorienting.

- Recent research found that *people experience grief differently*—in different stages with no fixed progression or timeline.

  (i) People who're grieving don't necessarily need solutions. They need others to be present, to acknowledge their loss, and to have time/space to process things at their own pace.

  (ii) Storytelling and connection aid healing, as they allow grief to be shared and validated as we process our loss.

KEY QUOTES

"When extreme hopelessness seeps into all the corners of our lives and combines with extreme sadness, we feel despair."

"Hope is a function of struggle—we develop hope not during the easy or comfortable times, but through adversity and discomfort."

"To be human is to know sadness. Owning our sadness is courageous and a necessary step in finding our way back to ourselves and each other."

"The more difficult it is for us to articulate our experiences of loss, longing, and feeling lost to the people around us, the more disconnected and alone we feel."

"Grief does not obey your plans, or your wishes. Grief will do whatever it wants to you, whenever it wants to. In that regard, Grief has a lot in common with Love."
— Elizabeth Gilbert

(iii) Grief may never fully go away, but we can still move forward while honoring what has been lost.

7. Places We Go with Others

Compassion is about consistently treating ourselves and others with kindness, recognizing suffering in others and taking action to support those in pain.

- True compassion is grounded in equality. It's not about "fixing" others, but *being present with them*, facing the discomfort together, and offering companionship and support.

- *Compassion vs empathy*. Empathy is a key skill/tool of compassion. It focuses on understanding and sharing in another's emotions, while compassion goes further to care for others with a healthy boundary.

Empathy is the ability to understand and share in others' feelings. I helps people to feel heard, understood, and less alone in their experiences.

- Empathy allows us to *understand and validate others' emotions*, without necessarily taking them on ourselves.

- There are *2 types of empathy*. Brown emphasizes the importance of cognitive empathy for true connection and compassion.

  (i) *Cognitive empathy*: Understanding others' thoughts and feelings without necessarily sharing in their emotional state.

  (ii) *Affective empathy*: Feeling what the other person is feeling. This can be emotionally taxing and may lead to overwhelm.

Sympathy involves feeling sorry for someone, but from a distance. It often reinforces a sense of separation rather than connection, and can trigger feelings of shame and isolation in the other person.

Pity involves feeling sorry for someone else's misfortune.

- It *creates distance* and makes the person being pitied feel alienated or diminished, because it's about:

KEY QUOTES

"Compassion is the daily practice of recognizing and accepting our shared humanity so that we treat ourselves and others with loving-kindness, and we take action in the face of suffering."

"Only when we know our own darkness well can we be present with the darkness of others."
—Pema Chödrön

"I believe meaningful connection requires a combination of compassion and cognitive empathy or perspective taking."

"We can respond empathically only if we are willing to be present to someone's pain. If we're not willing to do that, it's not real empathy."

"There's nothing worse than feeling pitied."

(i) Seeing others as inferior because of their suffering;

(ii) Feeling sorry for them without actively helping;

(iii) Keeping your emotional distance; and

(iv) Avoiding sharing their pain ("I'm glad I'm not in your shoes").

Boundaries define acceptable behavior and emotional limits. They are essential for healthy relationships because they establish where one person ends and another begins.

- Clear boundaries allow for autonomy, respect, and compassion while protecting your emotional health. Without boundaries, relationships can become *enmeshed*, with one person losing their sense of self or taking on too much responsibility for the other's emotions.

Comparative suffering occurs when we compare our pain to others', on the belief that if someone else suffers more, then our own suffering is less valid.

- This falsely assumes that love, care and concern are *limited resources*. In reality, the more you practice empathy or compassion, the more it expands.

8. Places We Go When We Fall Short

Shame is the "intensely painful feeling or experience of believing that we are flawed and therefore unworthy of love, belonging, and connection."

- To counter shame, we need *self-compassion and empathy*:

  (i) Self-compassion (which includes self-kindness, common humanity, and mindfulness) helps us to acknowledge our humanity and to be gentle with ourselves and our missteps.

  (ii) Empathy reminds us that we're not alone, reduces the power of shame, and opens the door to healing.

- Everyone experiences shame. We're afraid to talk about it, yet the less we talk about it the more control it has over us. To *build shame resilience*:

KEY QUOTES

"If there's no autonomy between people, then there's no compassion or empathy, just enmeshment."

"Empathy is not finite, and compassion is not a pizza with eight slices. When you practice empathy and compassion with someone, there is not less of these qualities to go around. There's more."

"Where shame exists, empathy is almost always absent. That's what makes shame dangerous. The opposite of experiencing shame is experiencing empathy."

(i) Recognize shame and its triggers;

(ii) Question if the shame triggers are realistic or fair;

(iii) Share your experiences with those you trust for support; and

(iv) Speak shame openly and ask for what you need.

Shame is different from guilt or humiliation.

- *Shame* is targeted at the self—the feeling that "I am bad" or "I am unworthy."

- *Guilt* arises when we recognize that our behavior or actions have gone against our values or caused harm to others. It's targeted at actions—the feeling that "I did something bad." If handled constructively, it can motivate positive change.

- *Humiliation* occurs when we feel we've been unfairly devalued by others. Unlike shame, we don't internalize it as a reflection of our self-worth. But when people are humiliated—especially in ways that target their identity—they might feel intense anger/rejection, leading to aggression or violence.

Embarrassment is a mild, often fleeting emotional response to feeling self-conscious, exposed, or awkward in front of others, e.g. doing something clumsy or making a mistake in public. Unlike shame or humiliation, embarrassment is usually temporary and harmless.

Perfectionism is the belief that we can shield ourselves from feelings of shame, judgment, or blame, by doing things perfectly (or presenting ourselves as flawless).

- It's driven by the fear of failure and rejection, rather than a genuine desire for excellence. It *blocks personal growth and success* by focusing on earning approval and avoiding criticism. In trying to meet impossible standards and gain external validation, we feel inadequate, burned out, or stuck in a cycle of inaction.

- By contrast, *healthy striving* focuses on growth and progress. It embraces mistakes and failures as part of the learning process.

KEY QUOTES

"The antidote to shame is empathy. If we reach out and share our shame experience with someone who responds with empathy, shame dissipates."

"Where perfectionism exists, shame is always lurking."

"Perfectionism is externally driven by a simple but potentially all-consuming question: What will people think?"

9. Places We Go When We Search for Connection

Belonging is the deep, visceral feeling that you are accepted and valued for who you truly are. It is a core human need, essential for emotional and psychological well-being.

- Unlike *fitting in*, which requires you to hide or change parts of yourself to conform with external expectations, true belonging means you're accepted as you are.
- To achieve this, you must first *embrace your authentic self* and be willing to share it with others. Belonging is also reciprocal: it's not just about being accepted by others, but also about accepting those around you.

Connection is the energy we feel when we are seen, heard, and valued. It happens when we can be our true selves with others and receive care without judgment. This creates a sense of belonging, purpose, and support, helping us to cope with life's stresses.

- *True connection* is built on emotional availability, mutual trust and respect, allowing people to interact at a deeper level to feel understood and valued.

Disconnection occurs when we feel misunderstood, invalidated, or excluded. This causes both emotional pain and physical distress.

- It can occur when we're afraid to be vulnerable, leading to *shallow or surface-level interactions*. Digital interactions may also create distractions and hinder deep, in-person connections.
- When left unresolved, disconnection can create a *sense of disempowerment*, making us feel like we don't matter.

Insecurity arises from uncertainty about our self-worth, abilities, or relationships, making us feel vulnerable and anxious.

- There are *3 key types of insecurity*:

  (i) *Domain-specific* insecurity e.g. financial insecurity, food insecurity, or a lack of physical safety.

KEY QUOTES

"In the absence of love and belonging, there is always suffering."

"We have to belong to ourselves as much as we need to belong to others. Any belonging that asks us to betray ourselves is not true belonging."

"True belonging doesn't require us to change who we are; it requires us to be who we are."

"We become terrified of feeling pain, so we engage in behaviors that become a magnet for more pain."

(ii) *Relationship or interpersonal insecurity*: when we're unsure about being loved, valued, or protected in our relationships.

(iii) *General or personal insecurity*: being overly self-critical about our personal qualities or performance.

- The opposite of insecurity is *self-security*, which involves accepting your weaknesses without judgment.

Invisibility is the painful experience of being ignored, overlooked, or devalued in a relationship or social setting.

- There are different *types of invisibility* including: interpersonal invisibility (in relationships), group invisibility (affecting entire social groups), and representational invisibility (underrepresentation or negative portrayals in media and culture).
- Invisibility is a form of disconnection linked tied to *stigma and stereotypes*. It can leave people feeling stigmatized and unseen.

Loneliness is the feeling of isolation from others, often accompanied by a deep sadness or a longing for connection.

- Loneliness is *not the same as being alone*. The latter can be healing and restorative, while loneliness is painful due to the absence of meaningful social interaction. It can affect physical health, and is linked to higher risks of cardiovascular disease, dementia, and depression.
- To *combat loneliness*, we must recognize it and seek meaningful connections. To feel less isolated, reach out to a few people you trust and focus on quality over quantity in relationships.

10. Places We Go When the Heart Is Open

Love is a multifaceted emotion characterized by deep affection, attachment, and connection to others. It is central to human connection and emotional well-being.

- It is *both an emotion and a set of actions* that foster connection and trust. It can span from romantic love to familial love, platonic love, and self-love.

KEY QUOTES

"Self-security is the open and nonjudgmental acceptance of one's own weaknesses."
—Alice Huang and Howard Berenbaum

"Given that we are all here to be seen, known, and loved, invisibility is one of the most painful human experiences."

"Invisibility is its own form of stigmatization."

"We feel shame around being lonely—as if feeling lonely means there's something wrong with us. We feel shame even when our loneliness is caused by grief, loss, or heartbreak."

"Love is not something we give or get; it is something that we nurture and grow, a connection that can be cultivated between two people only when it exists within each one of them—we can love others only as much as we love ourselves."

- True love is rooted in *mutual respect, trust, and compassion*, not romantic or idealized notions. To build and maintain love, you need daily commitment, mutual respect, and care. Love also requires vulnerability and a willingness to embrace uncertainty.

Lovelessness is the emotional void left by the absence of love, trust, or connection in one's life. It can be caused by a lack of self-compassion or external experiences where trust has been broken.

- To *recover from lovelessness*, we must rebuild trust and develop the courage to be vulnerable again.

Heartbreak is the intense emotional pain that comes from losing someone or something we deeply care about.

- Heartbreak can come from the loss of love (through a breakup, death, or betrayal), the end of important relationships, unrequited love, or the failure of significant dreams and aspirations. It affects us physically and emotionally, often leading to *feelings of grief, longing, and despair*.
- It takes courage to love, since loving means the risk of heartbreak. To *recover from heartbreak*, you must allow yourself to grieve, seek support from others, and gradually open up to new connections or possibilities.

Trust is the belief that someone is reliable, honest, and has your best interests at heart. It's built gradually over time, through consistent actions that demonstrate integrity and care.

- Trust is the *foundation of meaningful relationships*. It involves the willingness to be vulnerable and the belief that others will act in our best interests and respect our boundaries.
- Here are the *elements of trust* using Brown's BRAVING acronym:

  (i) Boundaries: Setting and respecting boundaries.

  (ii) Reliability: Consistently doing what you say you will do.

  (iii) Accountability: Owning your mistakes and making amends.

  (iv) Vault: Holding what others share with you in confidence.

  (v) Integrity: Practicing your values (not just professing them).

KEY QUOTES

"We need more real love. Gritty, dangerous, wild-eyed, justice-seeking love."

"Heartbreak is what happens when love is lost."
—Joe Reynolds

"The brokenhearted are the bravest among us—they dared to love."

"Heartbreak is unavoidable unless we choose not to love at all. A lot of people do just that."

"If someone says 'I don't trust you,' it feels like a general assault on our character."

(vi) Non-judgment: Asking for what you need without fear of judgment, and offering the same in return.

(vii) Generosity: Interpreting others' words/actions generously.

- Before cultivating trust with others, you must develop *self-trust*—confidence in your own abilities, judgments, and instincts, and knowing you'll act in alignment with your values.

Betrayal occurs when someone violates your trust by acting in a way that is disloyal, dishonest, or harmful. It shatters the trust and connection in a relationship, leading to feelings of hurt, anger, and disbelief. The deeper the trust, the more devastating the betrayal.

- Betrayal can take *many forms*, from infidelity in romantic relationships, to broken promises in friendships or professional settings, to institutional betrayal and self-betrayal.

- Betrayal can create *deep and long-lasting emotional scars*. It often leads to the loss of trust not only in the person who betrayed you, but in relationships in general. It can also impact self-esteem and mental health.

- To *heal from betrayal*, you need time to acknowledge the hurt, process your emotions, set boundaries and rebuild trust from the ground up.

Defensiveness is the instinctive reaction to protect ourselves from perceived threats or attacks to our self-esteem or self-worth.

- We often respond by *denying responsibility, deflecting blame, or justifying behavior*. It can block constructive conversations and feedback, strain relationships, and hinder learning and growth.

- To *overcome defensiveness*, learn to recognize the signs of defensiveness (e.g. tensed body language or tunnel vision) and intentionally shift your stance. For example, relax clenched fists and uncross your arms, or say something like, "I'm feeling overwhelmed. Can we take a 10-minute break and start over?"

Flooding is the sensation of overwhelm that occurs during high-conflict or emotionally-intense situations. We feel overloaded

KEY QUOTES

"Self-trust is normally the first casualty of failure or mistakes. We stop trusting ourselves when we hurt others, get hurt, feel shame, or question our worth."

"Betrayal is so painful because, at its core, it is a violation of trust."

"[Betrayal] happens in relationships in which trust is expected and assumed, so when it's violated, we're often shocked, and we can struggle to believe what's happening. It can feel as if the ground beneath us has given way."

"At its core, defensiveness is a way to protect our ego and a fragile self-esteem."

"Defensiveness blocks us from hearing feedback and evaluating if we want to make meaningful changes in our thinking or behavior based on input from others."

psychologically and physically, making it hard to focus, think logically, or communicate effectively.

- When we're emotionally flooded, we might *shut down or lash out*, worsening the conflict and emotional upheaval.
- The best way to manage flooding is to *take a break*—step away from the situation to regain control over your emotions, then re-engage in a calmer state.

Hurt is a blend of sadness and feelings of being emotionally wounded. It often occurs when someone's actions or words cause us to feel devalued or rejected, and may coexist with other emotions like anger, anxiety, jealousy, or loneliness.

- Hurt can range *from mild disappointment to deep emotional pain*. It's especially painful when the hurt is perceived as intentional. We might respond by blaming ourselves, retaliating, or seeking support/comfort.
- Hurt feelings shouldn't be confused with other emotional pain like grief or "feeling wounded." Brown recommends using the words "*my feelings are hurt*" to express yourself more clearly.

11. Places We Go When Life Is Good

Joy is an intense, momentary feeling of connection, pleasure, and appreciation. It's often linked with other people, nature, or a higher power. It expands our perspective, bringing a sense of freedom and presence that makes everything seem more vibrant.

- Research shows that *joy and gratitude* reinforce each other in an upward spiral. Experiencing joy increases future feelings of gratitude, which further enhances future moments of joy.

Happiness is a state of pleasure or contentment, often tied to external circumstances and experiences. It is more stable, less intense, and longer-lasting than joy.

- Happiness is associated with emotional well-being, but Brown cautions against an *incessant pursuit of happiness* as it can block deeper experiences of joy and gratitude.

KEY QUOTES

"There's only so much our bodies and nervous systems can stand before they flip the survival switch and stop communicating and start protecting or attacking."

"I'm not sure there's a braver sentence in the human catalog of brave sentences than 'My feelings are hurt.'"

"When we respond to hurt feelings with anger, the other person tends to match our anger with more anger."

"I love thinking of joy as 'the good mood of the soul.' There is definitely something soulful about joy."

"While experiencing joy, we don't lose ourselves, we become more truly ourselves."

Calm is a state of peace and mindfulness. It helps us to maintain perspective and manage emotional reactivity in stressful or chaotic situations. It involves (i) slowing down mentally and physically to focus mindfully on the present, and (ii) regulating our emotional reaction to respond thoughtfully (not impulsively).

- We can *cultivate calm* through practices like deep breathing and mindfulness. Whenever Brown feels herself getting anxious, she asks 2 quick questions to gain perspective and calm herself: "Do I have enough information to freak out?" and "Will freaking out help?" The answer is almost always "no" to both questions.

Contentment is the feeling of satisfaction, completeness, and "enoughness." It comes from accepting and appreciating what you have, so you don't feel the urge to keep seeking more, nor long for things to be different.

- Compared to joy and happiness, contentment is more *subdued, steady, and internal*. It is strongly correlated with better life satisfaction and well-being.

- You can *cultivate contentment* through gratitude practices, mindfulness, and focusing on what's within your control (e.g. joy in simplicity and personal growth).

Gratitude is a deep appreciation for the things, people, or experiences that bring meaning and connection to our lives. It involves (i) appreciating the value of what we have (e.g. material possessions, relationships, experiences) and (ii) actively celebrating those positive aspects of life instead of taking them for granted.

- Gratitude is linked to better *well-being and emotional resilience*, including improved sleep, creativity, decision-making skills, and lower blood pressure and aggression.

- It is *both an emotion and a practice* (or something we cultivate intentionally). Common gratitude practices include: journaling, meditations, and expressing what you're thankful for daily.

Foreboding Joy is the paradoxical experience of feeling joy while simultaneously fearing that it will be taken away.

- To protect ourselves from potential loss and pain, we mentally prepare for worst-case scenarios, marring the joyful moments in life. Learn to *fully embrace the positive moments* by leaning into joy and practicing gratitude.

KEY QUOTES

"Calm is an intention. Do we want to infect people with more anxiety, or heal ourselves and the people around us with calm?"

"Calm people...can bring perspective to complicated situations and experience their feelings without reacting to heightened emotions."

"Contentment is about satisfaction, and that, ironically, is an unsatisfying idea for a lot of people."

"Gratitude is a practice that can enrich our lives in meaningful ways."

"While gratitude is an emotion, if we want to experience its full power, we must also make it a practice."

"When we push away joy, we squander the goodness that we need to build resilience, strength, and courage."

Relief is the release of physical and emotional tension after a period of worry or fear.

- Relief brings a sense of *safety and calm*, allowing us to return to a more balanced emotional state. It's often accompanied by a deep sigh or exhale, which reduces muscle tension and signals the end of the stressful period, further enhancing the feeling of relief.

Tranquility is a state of calm, peace and relaxation associated with the absence of demand/pressure. It offers respite from daily pressures, allowing us to reconnect with ourselves and find inner peace/balance.

- Unlike contentment, which involves a sense of satisfaction, tranquility is characterized by the *enjoyment of doing nothing*. It usually involves:

  (i) Being free from the pressures and demands of life; and

  (ii) Being in a natural, restorative environment like forests, fields, or large bodies of water.

KEY QUOTES

"Sighing serves as a type of reset button for our body. It not only signals relief to our body, but it enhances relief, and it reduces muscle tension."

"With contentment, we often have the sense of having completed something; with tranquility, we relish the feeling of doing nothing."

12. Places We Go When We Feel Wronged

Anger is an intense emotion when we feel wronged, disrespected, or treated unfairly. We believe someone else is responsible for an injustice, and that something can be done to right the wrong. Anger can range from mild irritation to full-blown rage.

- It compels us to act, making it a *powerful catalyst* for action and change. However, prolonged or unchecked anger can hurt relationships and lead to exhaustion.

- Often, anger masks deeper, more vulnerable emotions like hurt, fear, or grief. To *manage anger*, identify the root cause, then express it in a healthy, non-destructive way.

Contempt is a mix of anger and disgust, characterized by the feeling of moral superiority over another person or group. It involves a sense of disrespect or disdain, which can be dismissive or belittling.

"Anger is...an emotion that we need to transform into something life-giving: courage, love, change, compassion, justice."

"Anger is a powerful catalyst but a life-sucking companion."

"When someone is angry at you, you've still got traction with them, but when they display contempt, you've been dismissed."
— Pamela Meyer

- To *manage contempt*, start by recognizing it and figuring out why it exists. It often stems from unresolved issues like emotional pain or a desire to feel superior. Recognize the humanity in others to rebuild mutual respect, and reframe conflict as an opportunity for mutual understanding.

Disgust is a strong urge to distance ourselves from something we perceive as offensive, revolting, toxic, or harmful.

- It originally evolved to protect us from *physical contamination* like vomit or rotten food. However, it can also be directed towards *behaviors, individuals, or ideas*. The reaction is visceral and immediate, and can be dehumanizing.

- To *manage disgust*, learn to recognize when it's truly useful for safety, or merely judgmental or exclusionary.

Dehumanization is about seeing others as less than human.

- It often spreads through the use of *degrading language and imagery*, such as portraying certain groups/people as "rats," "cockroaches," or "savages." This creates an us-vs-them division, presenting the other party as our enemy, or something inhuman, immoral or dangerous. This makes it easier to justify acts of hatred, cruelty, and violence.

- To *combat dehumanization*, we must recognize the shared humanity of all people, even those we're in conflict with. Take personal accountability to stop the use of language and imagery that dehumanize others.

Hate is a powerful, destructive emotion, driven by a mix of feelings like repulsion, disgust, anger, fear, and contempt.

- It occurs when we believe a person or group is intentionally malicious or immoral, and that they're unlikely to change. This creates a strong desire to eliminate them mentally, socially, or physically, and leads to *harmful actions* like violence or emotional abuse. Hate crimes target victims for who they are, not what they have done.

- Hate is often spread by leaders who use stories/rhetoric to present the opposing party as a *common enemy*. Distance and a lack of direct contact can intensify hatred, making it easier for us to dehumanize and vilify others.

KEY QUOTES

"[It] is not that we need to disagree less, but we need to learn how to disagree better—without contempt or cruelty."

"With contempt, we look down on the other person and we want to exclude or ignore them. With disgust... we want to avoid being 'poisoned' (either literally or figuratively)."

"The language we use to dehumanize is effective because it actually taps into 'core disgust'...We reduce people into the things that make us grossed out."

"Language matters. It's the raw material of story, it changes how we feel about ourselves and others, and it's a portal to connection."

"Hate crime victims...have been targeted, beaten, and killed, not because of anything they've done, but because of who they are."

"[I believe] that people are harder to hate close up, and easier to hate when we're behind our ideological bunker and they're behind theirs."

- It is much harder to hate someone when you see their humanity and understand their experiences. So, we can *mitigate hate* through critical thinking and empathy for others' points of view.

Self-Righteousness is the conviction that we are morally superior to others. People who exhibit self-righteousness tend to be judgmental and close-minded. They adopt a black-and-white view of morality and dismiss differing opinions as morally or intellectually inferior.

- Self-righteousness is about using moral outrage as a way to elevate oneself. It often masks personal insecurities or flaws, trapping people in a cycle of judgment and defensiveness. This is *different from righteousness*, where someone reacts appropriately to real injustice and seeks to do the right thing.

- To *overcome self-righteousness*, acknowledge that there are multiple perspectives, and others' views may be valid even when they differ from yours.

KEY QUOTES

"The self-righteous scream judgments against others to hide the noise of skeletons dancing in their own closets."
— John Mark Green

"Moral outrage is selfenhancing and related to selfrighteous anger."

13. Places We Go to Self-Assess

Pride is a feeling of satisfaction and pleasure derived from our achievements or efforts. We can feel proud for ourselves and for others, e.g. pride in a loved one's accomplishments or a collective effort.

- Pride *can be good or bad* depending on the context:

  (i) Healthy pride reflects true accomplishments based on real effort and mastery, and this can be a source of motivation and self-esteem.

  (ii) However, pride can lead to arrogance or a sense of superiority if it becomes excessive or inflated. This form of pride alienates people and block growth or connection.

Hubris is an exaggerated sense of pride or self-confidence that is not rooted in genuine achievements or competence.

- It's associated with an inflated view of one's abilities, driven by *narcissism, insecurity and the need for dominance*. The outward show of confidence is often used to hide feelings of shame

"Context and story are necessary to figure out what's driving...behaviors."

"Pride can be good for us, hubris is dangerous, and humility is key to grounded confidence and healthy relationships."

and insecurity, and dominance is used to make the person feel good.

- Hubris blinds us to our flaws/limitations, making it hard to learn from mistakes or feedback. It's dangerous as it can lead to conflict and *poor decisions*.
- To *manage hubris*, counterbalance it with humility: recognize our limitations, be open to feedback, and value others' contributions.

Humility is an openness to new learning, grounded in an honest understanding of your strengths and weaknesses.

- It is not about meekness, self-doubt, or downplaying our achievements. It's a *balanced and powerful trait* that allows for growth and connect without arrogance. People who practice humility are more willing to admit mistakes, respect others' perspectives and experiences, and adjust their beliefs/ behaviors in face of new information.

KEY QUOTES

"To those of us observing hubris, it looks and feels terrible. However, to the person experiencing hubris, it feels good."

"I define narcissism as the shame-based fear of being ordinary."

"Humility is quieter but more genuine and ultimately more powerful than hubris."

Putting It Together: Cultivating Meaningful Connections

The 87 emotions and experiences above help us define what it means to be human. However, to build meaningful connections, we must **apply this knowledge** in our daily interactions.

Brown's research showed that emotional barriers to connection are not always obvious. She calls these "**near vs far enemies**."

- "*Near enemies*" are emotional responses that seem constructive, but actually block connection. For example, pity might seem like empathy, but it lacks the emotional closeness and shared perspective required for true understanding.
- "*Far enemies*" are easier to identify since they are the direct opposites of positive traits (e.g. hatred is a far enemy of love). However, they can still pose challenges in real life.

We can use our emotional vocabulary both as a tool to understand ourselves, and as a guide to deepen our relationships. To cultivate meaningful relationships, we must **practice 3 sets of essential skills** to transform emotional awareness into authentic connections.

"We become what we do—even when those things are outside of who we want to be."

"On the surface, the near enemies of emotions or experiences might look and even feel like connection, but ultimately they drive us to be disconnected from ourselves and from each other."

"Knowing and applying the language of human experience and emotion is a key property of all of the major categories that support meaningful connection."

- *Grounded confidence*: Knowing and embracing our true selves;
- *Courage to walk alongside others*: Being present to their joy and pain without judgment; and
- *Story stewardship*: Listen deeply and honoring others' stories and experiences with trust and care.

Other Details in the Book to Look out For

Understanding, labeling, and expressing our emotions effectively are key to improving clarity, deepening connections, and fostering personal growth. This book offers a detailed breakdown of the 87 emotions and experiences summarized above, along with personal anecdotes, research-backed insights, illustrations, examples and practical tips for navigating emotions in everyday life. For more details, please visit https://brenebrown.com/.

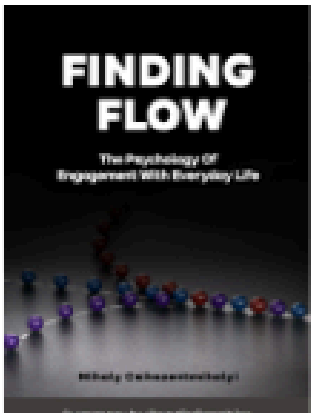
About the Author

Dr. Brené Brown, Ph.D., (born 1965) is an American research professor, author, and podcast host. She is a research professor at the University of Houston Graduate College of Social Work and previously served as a visiting professor at McCombs School of Business, University of Texas at Austin.

Renowned for her groundbreaking research on courage, vulnerability, shame, and empathy, Dr. Brown has delivered multiple TED Talks and lectures, and won numerous teaching awards. She also hosts two popular podcasts "Unlocking Us" and "Dare to Lead" where she explores these topics.

KEY QUOTES

"If we want to find the way back to ourselves and one another, we need language and the grounded confidence to both tell our stories and to be stewards of the stories that we hear. This is the framework for meaningful connection."



FINDING FLOW

The Psychology of Engagement with Everyday Life

Mihaly Csikszentmihalyi

The Big "So What"

The book answers the questions: "what is a good life?", "How anyone can create an excellent life?" and "How to transform every day activities into opportunities for engagement, enjoyment and growth?" It explains why happiness alone isn't enough, and how "flow" can create true excellence and quality of life.

Introduction

The insights from the book are built on 3 key assumptions or foundations:

- Important truths about life have already been captured over the years by philosophers, prophets and sacred books. This book seeks to express and re-interpret them in the modern context.
- Current science provides useful information about mankind. However, our knowledge is still far from complete, and many of the "scientific truths" are by no means proven fact.
- To understand life in the present, we must integrate the realities of the past with the possibilities of the future.

The Content of Experience: What Affects Quality of Life?

To improve our quality of life, we need to first understand how we experience life.

Time is the essence

Our quality of life is essentially the accumulation of

KEY QUOTES

"Societies also have operating systems... And much of our societal operating system consists of a set of assumptions about human behaviour."

Carrot-and-stick approach

"For as long as any of us can remember, we've configured our organizations and constructed our lives around its bedrock assumption: The way to improve performance, increase productivity , and encourage excellence is to reward the good and punish the bad".

experiences (what we do, feel, think) over time. Since experiences take place at a point in time, time is the scarcest resource that we have. How we choose to allocate or invest time will determine what we experience, which add up to determine our quality of life.

What we do

Whenever we think about or do something, it consumes psychic energy. Most of us spend our time and psychic energy in these proportions:

- 24-60% on **productive activities** to generate energy for survival (e.g. working, studying, eating)
- 20-42% on **maintenance activities** (e.g. commuting, grooming, housework)
- 20-43% on **leisure activities**

Thought leaders and philosophers have long suggested that people start to develop their true potential during their "leisure time", when they can devote their time and energy to self-development.

Who we are with

Our experiences (and hence quality of life) are largely affected by the people we are with. Most people spend their time evenly in 3 social contexts:

- **"Public" space,** where we are evaluated by others, compete for resources & may establish collaborative relationships. This is the domain that presents the highest risks and also the highest rewards.
- **Family**, including time with parents, siblings, children and close relatives .
- **Solitude**, i.e. time on our own, which may be enjoyable to some but not to others.

Our intentions and goals

Our intentions focus our psychic energy in the short run, while our goals focus our energy in the long run, and this in turn shapes who we become.

KEY QUOTES

"Motivation 2.0...doesn't mesh with the way many new business models are organizing what we do – because we're intrinsically motivated purpose maximizers, not only extrinsically motivated profit maximizers."

"Economists are finally realizing that we're fullfledged human beings, not single-minded economic robots."

"For growing numbers of people, work is often creative, interesting, and self-directed rather than unrelentingly routine, boring, and other-directed."

Motivation 3.0

"The science shows that the secret to high performance...(is) our deep-seated desire to direct our own lives, to extend and expand our abilities, and to make a contribution."

Immersing/focusing on our goals typically takes a lot of psychic energy:

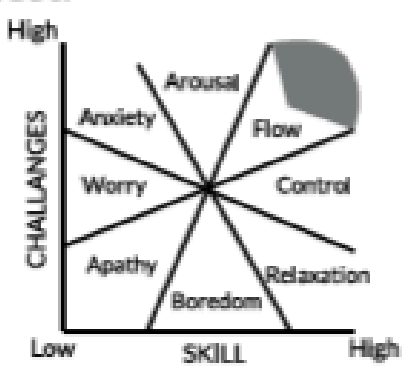
- **Managing our goals** can take up a lot of energy, especially those that go against our pre-programmed beliefs and behaviours.
- **Concentration** takes energy and effort, especially when it goes against our inner feelings and motivations.
- We also **struggle with conflicting desires and thoughts** in a typical day. For example, we may enjoy an expensive dinner and drinks with friends after work, but feel guilty about spending money and not being at home with the kids.

However, "flow experiences" occur when the act of focusing and immersing in our experiences seem effortless. In short:

> *"A person in flow is completed focused. There is no space in consciousness for distracting thoughts, irrelevant feelings. Self-consciousness disappears, yet one feels stronger than usual. The sense of time is distorted: hours seem to pass by in minutes. When a person's entire being is stretched in the full functioning of body and mind, whatever one does becomes worth doing for its own sake...In the harmonious focusing of physical and psychic energy, life finally comes into its own."*

Being in flow typically comes with :

- **Clarity** of goals and required activities, i.e. knowing what to do
- **Immediate feedback,** i.e. knowing how well you are doing
- **High level of skills and challenges,** i.e. the challenges are big enough to be motivating but not insurmountable to cause anxiety, and you can use your skills to the fullest.



KEY QUOTES

"Baseline rewards"
The best use of money as a motivator is to pay people enough to take the issue of money off the table."

Extrinsic Motivation
"Sometimes these motivators work. Often they don't. And many times, they inflict collateral damage".

"Over and over again, (researchers) discovered that extrinsic rewards – in particular, contingent, expected, "if-then" rewards – snuffed out the third drive."

Excellence in life comes from being engaged in flow, not from pursuing happiness. When we are in flow, we direct our energy fully towards complex tasks, learning, and growing our consciousness. Flow is in fact a source of psychic energy, because it helps to focus our attention and motivates us to take action.

≋ Finding Flow in Work & Leisure ≋

Work is often seen as a necessary evil, while having free time to relax and do nothing seems desirable. However, evidence suggests the opposite – work isn't necessarily bad, and leisure time doesn't necessarily improve quality of life.

The Paradox of Work

Work is a central part of most of our lives, and typically takes up a third of our available time. Work can provide meaning, focus, and challenge to our lives, yet most of us are glad to avoid work if possible.

Many people resent their jobs for 3 key reasons:

- The jobs are meaningless or even cause harm
- The jobs are boring and routine (with no variety or challenge)
- The jobs are too stressful (due to relationships with colleagues or superiors, lack of recognition etc.)

On the other hand, work can be a positive experience when it is perceived to be voluntary and we are satisfied with our results. This is especially so given how the concept of "work" has evolved over the centuries - from hunting for food, to manual labor, to an expression of skills and creativity today. Many modern professionals (e.g. artists, entrepreneurs) are enjoying much more intrinsic rewards from work that were not readily available in the past.

In short, we cannot blame our jobs for the lack of inspiration in our lives. Rather, when we find flow at work, it helps us to develop new skills and opportunities for growth and fulfillment.

KEY QUOTES

"Mixing rewards with inherently interesting, creative or noble tasks deploying them without understanding the peculiar science of motivation, is a very dangerous game."

"Greatness and nearsightedness are incompatible. Meaningful achievement depends on lifting one's sights and pushing toward the horizon."

Csikszentmihalyi gave several examples of how people in seemingly poor or unenviable conditions found inspiration and fulfillment in life by focusing their energy on creating value for others, e.g. a lady who dedicated her life to helping homeless urchins who were in even more desperate conditions than her.

The risks and opportunities of leisure

Contrary to common perception, free time doesn't improve the quality of life, unless it is used effectively. In fact, people without goals and meaningful interactions tend to lose motivation, focus, and experience greater anxiety as their minds wander to unresolvable problems.

There's a distinct difference between active and passive leisure. Sports and active games are 3 times more likely to generate a state of heightened enjoyment than watching TV (while hobbies are 2.5 times more likely to do so).

To improve the quality of life, it is important to give our free time the same focus and attention as our work. Ensure that your free time is used to explore the potential of the self and the environment, hence creating opportunity for flow, which brings growth, fulfillment and better quality of life.

Finding Flow in Work & Leisure

To create flow and inspiration in what we do (be it work or leisure):

- Pay attention, so you understand thoroughly what is happening and why. This helps us to understand the full impact of our actions (however trivial) on the whole, to give meaning, clarity and awareness over time.
- Don't accept that the current way of doing the job is the only way – explore and experiment with new and better ways of doing things. No matter now routine a job or task, there are always small adjustments and improvements that you can focus on (and enjoy fulfilment from) if you treat it as a professional challenge.
- Exercise personal control to prevent stress (which hinders

KEY QUOTES

"We're designed to be Type I... If we update the environments we're in... we can return ourselves and our colleagues to our natural state."

"This era doesn't call for better management. It calls for a renaissance of selfdirection."

"Autonomy... is different from independence. It means acting with choice – which means we can be both autonomous and happily interdependent with others."

flow):
o Develop a personal strategy that provides order and priority
o Match your skill with the identified challenges. For example, learn a new skill, delegate a task, break up the task or transform it such that you can manage it.

≋ Finding Flow in Relationships ≋

Relationship with Others

Our relationships have a significant impact on how we feel and on our quality of life. To develop relationships, we need to invest energy in them. A relationship that brings consciousness meets 2 conditions:

- Compatibility between goals, i.e. **shared goals**
- A willingness to **invest attention** in the other person's goals.

How rewarding our relationships are depend on a several factors, including:

- **Socialization.** Socialization shapes our behavious, cultural expectations and aspirations, and hence affects how we experience life. We feel shame and guilt (as opposed to pride and accomplishments) when we feel we have let others down (based on social norms and standards).
- **Our friendships.** The lack of friendship is a common personal complaint. In an ideal world, friends provide mutual benefits and stimulation to hone our skills and support our growth. However, in reality, it is common for friendships to provide a safe haven for us to preserve our self-image, without contributing to our growth.
- **Our sexual relationships.** Fulfilling sexual relationships are another important aspect of a quality life. This come from neither celibacy nor promiscuity, but being conscious of the role of sexuality in our lives.

Relationship with Self

- **Being alone.** Most people experience lower moods when they are alone than when they are with others. The only time

KEY QUOTES

"Control leads to compliance; autonomy leads to engagement."

"In flow, people lived so deeply in the moment, and felt so utterly in control, that their sense of time and even self melted away."

"Flow is essential to mastery. But flow doesn't guarantee mastery – because the two concepts operate on different horizons of time. One happens in a moment; the other unfolds over months, years and sometimes decades."

people feel better when they are alone is when they are in full concentration on a goal/ hobby or have a rich inner life.

- **Attitude towards "others".** People generally assume that people who are different from us – be it in race, language, religion, social class etc. – have different goals and cannot be trusted. Yet, we are fascinated by their differences. Being around strangers and different cultures bring excitement and creativity that improve the quality of life, so long as we believe that the "others" will share our basic goals and behave predictably within certain parameters.
- **Extroversion (expression through "public" action) versus introversion (ascension by looking inward).** Extroversion and introversion need not be mutually exclusive. In fact, the most creative and successful individuals tend to embrace both ends of the spectrum – they set aside time for themselves (e.g. working alone from home, meditating) and create opportunities to meet others (to expose themselves to new possibilities, ideas etc.). By doing so, they have access to the full range of human experiences rather than box themselves into a corner and limit the possibilities of enjoyment.

Balancing Work and Relationships

The "balance" between work and relationships (family and friends) has been an ongoing challenge. People who love their work tend to direct so much psychic energy into work that their relationships suffer.

The solution to balancing work and relationships is to balance the meaningfulness of the rewards we get from work and from relationships. People are held together by 2 types of energy:

- **Material energy** (from food, warmth, physical care, money)
- **Psychic energy** (from investing attention in each other's goals)

Successful relationships are like successful careers – they require an ongoing investment of thought and energy. In modern society, contracts and social control can no longer hold marriages together – only intrinsic rewards (i.e. mutual enjoyment) will motivate people to continue the relationships.

KEY QUOTES

"What people believe shapes what people achieve."

"Mastery hurts. Sometimes – many times – it's not much fun... It's grueling, to be sure. But that's not the problem; that's the solution."

"The joy is in the pursuit more than the realization. In the end, mastery attracts precisely because mastery eludes."

"Autonomous people working toward mastery perform at very high levels. But those who do so in the service of some greater objective can achieve even more."

"Humanize what people say and you may well humanize what they do."

Finding Flow in relationships

Creating flow in relationships involve joint activities that help people to pay attention to each other. For example, to make parenting a more rewarding experience, parents can:

- Pay attention to learn what the child is "into" or is "proud of"
- Devote more attention to share such activities with the child, hence creating joint goals that everyone is investing psychic energy into.

Likewise, when we are appreciated at work, we feel more satisfied, because we feel that our goals are being supported.

≋ Finding Flow through Awareness & Self-Development ≋

To achieve excellence in life, we need to commit ourselves fully to experience all aspects of life & develop all of our potentials.

Awareness and Quality of Life

To improve the quality of life, the first step is to start engineering our daily activities to get the most rewarding experiences. There's no fixed formula, so it's important for you to find what works best for you. Start by keeping a diary or reflecting on your day, so you can become conscious of how you spend your time. Take stock of the activities and people that generate positive versus negative moods:

- What you do: With awareness, you can increase the frequency of positive activities and decrease the negative ones. People in flow also tend to be so focused on the task at hand that they "forget" about their physical pains, fatigue and ailments. Csikszentmihalyi gave an example of how a mental health patient was able to rejoin the community and become financially self-sufficient simply by paring nails for others (an activity that brings her flow).
- Who you spend time with. While companionship can improve the quality of experience, real growth comes when we are with people who stimulate our learning. Invest psychic energy in the right relationships.

KEY QUOTES

"People at work are thirsting for context... a powerful way to provide that context is to spend a little less time telling how and a little more time showing why."

The Autotelic Personality

An autotelic activity is one that we do for its own sake, because experiencing the activity itself *is* the goal. For example, if you are playing a game because you enjoy it, that's an autotelic activity; if you are playing it to win a prize, that's an exotelic activity. To have ownership of our lives, it is important is enjoy an activity for its own sake and in the process, learn to control our attention and direct our psychic energy in line with our intentions.

People fall into a spectrum - some almost never feel that what they do is worth doing, while others (autotelic people) feel that almost everything they do is important and valuable in its own right. Those who are autotelic tend to:

- Already feel so rewarded that they need very little material possessions or titles/ power.
- Be typically more autonomous and independent, yet are more involved or immersed in what's happening around them.
- Have a seemingly inexhaustible supply of psychic energy: they pay attention more, notice more, and are willing to invest more attention in things for their own sake (rather than external rewards).
- Be able to direct their psychic energy to experience life, because they are less concerned with themselves.

The Love of Fate

Leading a truly excellent life requires us to feel that we are part of something greater and more permanent than ourselves. The challenge is to be engaged and carefree at the same time – to be serious in our concern for the world at large, yet humble about the impact that we can make individually.

The starting point is to get a clearer understanding of our self-image – this imaginary entity tends to shape how we direct our psychic energy:

- Without a sense of self, humans will be like animals, exerting ourselves only to fulfill our biological needs.
- On the other hand, a sense of self based on wealth and

KEY QUOTES

"People at work are thirsting for context... a powerful way to provide that context is to spend a little less time telling how and a little more time showing why."

power can lead someone to exert himself relentlessly at the expense of health and relationships.

• We cannot totally remove our ego. However, by developing a deeper understanding of ourselves, we can learn to separate the needs that support us in life from those that make our lives miserable.

It takes skill to reflect. When we have not mastered the skills of reflection, thinking about our problems tend to aggravate them instead of alleviating them.

• Hence, it is better to reflect on our life when we have reason to feel good about it – experiencing flow automatically helps us to feel better without even trying.

• To experience flow, it helps if we have clear goals to focus our attention on. Even if we are faced with a task that we hate or dread, setting a goal (e.g. to finish the task as quickly as possible) can transform how we experience it.

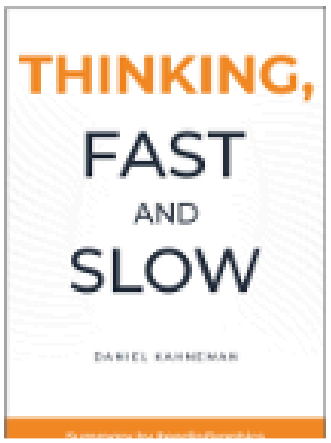
The love of fate, or amor fati, refers to our attitude towards our choices. If we learn to take ownership of our actions and love what we have to do, our quality of life will be improved.

Other Useful Details in the Book to Look Out For

Csikszentmihalyi develops the core ideas in his book by explaining different variables and their inter-relationships, findings from past studies, and how he arrives at his observations and conclusions. The book is rich in references and ideas to understand the concepts of quality of life, excellence, flow and how these it apply in our day to day lives.

KEY QUOTES

"People at work are thirsting for context... a powerful way to provide that context is to spend a little less time telling how and a little more time showing why."



Thinking, Fast and Slow

DANIEL KAHNEMAN

The Big "So What"

In this book, winner of the Nobel Memorial Prize in Economics, Daniel Kahneman, summarizes decades of research to help us understand what really goes on inside our heads - the psychological basis for our reactions, judgments, perceptions and choices. By learning how our mind works, being aware of our intuitive biases and errors of judgement, we can improve our decision-making skills, shape how we think and how we live our lives.

The Two Systems

Physicians have a large set of labels to diagnose and treat diseases (e.g. identify symptoms, possible causes, interventions and cures). Likewise, to understand how we make judgements and choices, we need a richer vocabulary to describe how our mind works.

Kahneman does that by simplifying complex economic and psychological concepts in this book. He describes how our brains work, using 2 systems:

System 1 *is fast.* It operates automatically and involuntarily; it is unconscious, can't be stopped, and runs continuously. We apply it effortlessly and intuitively to everyday decisions, e.g. when we drive, recall our age, or interpret someone's facial expression.

System 2 *is slow.* It's only called upon when necessary to reason, compute, analyze and solve problems. It confirms or correct System 1 judgements, is more reliable, but takes time, effort

KEY QUOTES

"My main aim here is to present a view of how the mind works that draws on recent developments in cognitive and social psychology."

"We can be blind to the obvious, and we are also blind to our blindness."

"One of the tasks of System 2 is to overcome the impulses of System 1. In other words, System 2 is in charge of self-control."

"The best we can do is a compromise: learn to recognize situations in which mistakes are likely and try harder to avoid significant mistakes when stakes are high."

and concentration.

We think of ourselves with System 2 (our beliefs, choices etc.), but System 1 is usually the one in charge. System 1 operates on heuristics that are fast but often inaccurate. System 2 evaluates those heuristics and provides vigilance, but is too slow and inefficient for our routine decisions. We need both systems, and the key is to become aware when we're prone to mistakes, so we can avoid them when the stakes are high.

The Law of Least Effort

It takes energy to think and exercise self-control. Our mental capacity gets depleted with use, and we're programmed to take the path of least resistance. Since System 2 uses more effort and energy, our thoughts and actions are run automatically by System 1. System 2 only kicks in for vital tasks that need special effort or self-control. Specifically:

- System 2 handles *tasks that are new or unnatural* to us. System 1 takes over once something's habitual, or during times of emergency.

- System 2 focuses mental resources on the *most important activity first*. That's why we tend to "zone out" when we're immersed in a challenging task or are mentally overloaded, or stop in the middle of a leisurely stroll if we're asked to complete a difficult mental task.

- We *consume less energy* when we're more skilled or talented at a task, can simplify the tasks into smaller steps, or write them down (to lessen our mental load).

One of the main roles of System 2 is to monitor and control the impulses and suggestions by System 1. But, System 2 fails to perform its role when it's lazy or overloaded. That's why most people don't think through problems carefully, and why we find it harder to resist temptation when we are stressed. In short, self-control decreases when we're tired, hungry, or mentally exhausted.

KEY QUOTES

"In the economy of action, effort is a cost, and the acquisition of skill is driven by the balance of benefits and costs. Laziness is built deep into our nature."

"We cover long distances by taking our time and conduct our mental lives by the law of least effort"

"For most of us, most of the time, the maintenance of a coherent train of thought and the occasional engagement in effortful thinking also require self-control."

"Intense focus on a task can make people effectively blind, even to stimuli that normally attract attention."

Heuristics and How System 1 Works

In order to quickly process the tons of stimuli that we take in daily, System 1 uses "heuristics" or mental shortcuts. These are fast, but often unreliable, and makes us susceptible to others' suggestions or influence.

Associations and Priming. When consciously or subconsciously exposed to an idea, we're "primed" to think about associated idea(s), memories & feelings. If we've been talking about food, we'll fill in the blank SO_P with a "U", but if we've been talking about cleanliness, we'll fill in the same blank with an "A". People reading about the elderly unconsciously walk slower, and people who are asked to smile find jokes funnier. Each associated idea evokes even more ideas, memories, and feelings. This is called the associative mechanism.

Cognitive Ease. System 1 is constantly assessing stimuli and impressions, to determine if System 2 needs to be mobilized:

- When we experience *"cognitive ease"*, we're in a casual, intuitive mode. System 1 is at work and we don't think deeply. Generally, we feel at ease when something seems familiar, is clear and effortless. That's why politicians and marketers use repetition, bright colours, legible words, simple language and rhyming verses. We'll even believe a lie if we hear it often enough.

- When we experience *"cognitive strain"*, System 2 kicks in and we switch to an analytical, problem solving mode. We become more vigilant and are less susceptible to lies and suggestions.

Stories and Causes. To make sense of the world, we connect scraps of information and tell ourselves stories about what's going on.

- *Associative Coherence.* We make associations between events and circumstances. Events that fit

KEY QUOTES

"System 1 is gullible and biased to believe, System 2 is in charge of doubting and unbelieving, but System 2 is sometimes busy, and often lazy."

"You know far less about yourself than you feel you do."

"Like ripples on a pond, activation spreads through a small part of the vast network of associated ideas."

"Anything that makes it easier for the associative machine to run smoothly will also bias beliefs."

"Cognitive strain, whatever its source, mobilizes System 2 which is more likely to reject the intuitive answer suggested by System 1."

"People are prone to apply causal thinking inappropriately, to situations that require statistical reasoning."

into our stories seem "normal". When something unexpected happens, we tell ourselves new stories to make them fit e.g. "It's God's will," or "He acted out of character."

- *Jumping To Conclusions.* We often have to deal with incomplete information. System 1 fills the gaps with interpretations and guesses that fit our stories, jumping to conclusion on causes.

  i. Confirmation Bias is our tendency to search for and find confirming evidence for a belief (while dismissing counter evidence). During an election season, we're likely to seek positive information about our favored candidates, and find negative information about the opposing candidate(s). System 1 also usually flags out only one conclusion and omits alternatives.

  ii. The Halo Effect occurs when we like or dislike everything about a person, place, or thing, based on our first impressions. The first person to share an opinion at a meeting can "prime" others' opinions. Positive adjectives describing a person (e.g. strong, intelligent) influence how we interpret negative adjectives (e.g. stubborn, impulsive) that appear later.

  iii. What You See is All There Is (WYSIATI). System 1 ignores whether the information used is complete or accurate. It only cares how coherent the story is, based on available information.

Judgement Heuristic. Unlike System 2, which zooms in to find specific answers, System 1 adopts a "Mental Shotgun" approach, continuously scanning our environment and making "fight or flight" judgements.

When making such split-second decisions, we're better at broad averages and categorical comparisons, than sum-like variables. For instance, we can intuitively describe crime in terms of colours ("murder" would be a deeper shade of red than "theft"). We are also better at *intuitive averages* than sum-like variables (we can understand "about twice the current size" more easily

KEY QUOTES

"We have limited information about what happened on a day, and System 1 is adept at finding a coherent causal story that links the fragments of knowledge at its disposal."

"When information is scarce, which is a common occurrence, System 1 operates as a machine for jumping to conclusions"

"System 1 does not keep track of alternatives that it rejects, or even of the fact that there were alternatives."

"Sequence matters... because the halo effect increases the weight of first impressions, sometimes to the point that subsequent information is mostly wasted."

"It is the consistency of the information that matters for a good story, not its completeness."

than "an increase from 20,000 to 40,000").

Substitution. When faced with a vexing problem or question, we make our lives easier by answering a simpler, *substitute question*. For example, "What's my mood right now?" is easier to answer than "How happy am I with life?". This sometimes means that we avoid answering the harder (but more important) questions.

Affect or Emotions. When we have a strong *emotional preference* for an outcome, we will play up the benefits and play down its costs. In addition, a simpler question that evokes an emotional response will influence our response to a bigger question. If we are asked "how many dates did you have last month?" just before we're asked "how happy are you with your life?", we'll link our happiness to the number of dates, even if dates weren't important to us.

In short, System 1 works using shortcuts like associations, stories and approximates, tends to confuse causality with correlation, and jumps to inaccurate conclusions. System 2 is supposed to be our inner sceptic, to evaluate and validate System 1's impulses and suggestions. But, it's often too overloaded or lazy to do so. This results in intuitive biases and errors in our judgement.

X Heuristics Cause Biases & Errors

The Law Of Small Numbers

Most of us know that small sample sizes are not as representative as large samples. Yet, System 1 intuitively believes small sample outcomes without validation. We make decisions based on insufficient or unrepresentative data. Moreover, System 1 suppresses doubt by constructing coherent stories and attributing causality. Once a wrong conclusion is accepted as "true", it triggers our associative mechanism, spreading related ideas through our belief systems.

KEY QUOTES

"You often have answers to questions that you do not completely understand, relying on evidence that you can neither explain nor defend... you may not even notice that you did not answer the question you were asked."

"People let their likes and dislikes determine their beliefs about the world."

"A lazy System 2 often follows the path of least effort and endorses a heuristic answer without much scrutiny of whether it is truly appropriate."

"System 1 is designed to jump to conclusions from little evidence – and it is not designed to know the size of its jumps."

"The law of small numbers is a manifestation of a general bias that favors certainty over doubt."

The Anchoring Effect

Our estimates or choices are influenced (subconsciously) by number(s) that we heard previously. For instance, your answer to "Was Gandhi more than 116 years old when he died?" is likely to be closer to 116 than 50. Shoppers are likely to buy more of a promotional item if there was a "limit of 12 per person", than if there was no limit.

The Availability Heuristic

We tend to judge the importance of an idea by the familiarity and feelings that we associate with it, rather than statistical calculation. We are prone to overestimate the frequency of an event if we are fluent with the idea, e.g. we may over-estimate the frequency of divorces if we have undergone divorce, or know people who're divorced.

This heuristic is multiplied via media coverage to create "Availability Cascades", and have implications on public policy.

- *Media coverage* warps our estimates of events. A recent plane crash makes us think air travel is dangerous. The more we fear air travel, the more the media report plane crashes. This creates a negative feedback loop or a cascade of fear, and may trigger a surge in insurance purchases or protective action after a disaster.

- Likewise, *public policy* can be influenced by such irrational concerns - lawmakers may be prone to the same cognitive biases as citizens, or respond due to political sensitivity.

Representativeness

We tend to make judgments about a person, place, or thing based on how much it resembles something else. We may stereotype that someone who's "nerdy" is probably a computer scientist, or assume that a restaurant is doing well because we like their food. A more accurate approach would be to look at probability, base rates, and examine the evidence that was used to develop our assumptions.

KEY QUOTES

"The psychological mechanisms that produce anchoring make us far more suggestible than most of us would want to be."

"The main moral of priming research is that our thoughts and our behaviour are influenced, much more than we know or want, by the environment of the moment."

"The dynamics of memory help explain the recurrent cycles of disaster, concern, and growing complacency that are familiar to students of large-scale emergencies."

"The emotional tail wags the rational dog."
- Jonathan Haidt

"Stereotypes, both correct and false, are how we think of categories."

The Conjunction Fallacy (Less is More)

This occurs when we assume that A+B is more probable than A, e.g. assuming that this statement: "He has lived here his whole life and knows the culture well" to more probable than "He has lived here his whole life." This is flawed because A+B is a subset of A, and can only be less probable.

Likewise, we are likely to perceive an expensive item to be more valuable on its own than when it's bundled with additional cheap items. System 1 intuitively processes averages better than sums.

Causes Trump Statistics

Statistical data are facts about a case, e.g. "50% of cabs are blue". Causal data are facts that change our view of a case, e.g. "blue cabs are involved in 80% of road accidents" - we may infer from the latter that blue cab drivers are more reckless.

We've learnt that System 1 thinks fast using categories and stereotypes, and likes causal explanations. When we're given statistical data and causal data, we tend to focus on the causal data and neglect or even ignore the statistical data. In short, we favor stories with explanatory power, over mere data.

Regression To The Mean (Overlooking luck)

Random fluctuations (e.g. an unusually good or bad sports performance) will typically regress to the mean (i.e. they'll naturally approach the average over time). We tend to assign causal explanations to this phenomenon when they don't exist. We may punish someone for unusually bad behaviour, then convince ourselves that the punishment was effective when the person merely regressed naturally to his normal behaviour. The proper way to establish causal relationships is through control-group experiments.

KEY QUOTES

"Sometimes intuition beats logic even when the correct answer stares you in the face."

"The notions of coherence, plausibility, and probability are easily confused by the unwary."

"Our mind is strongly biased toward causal explanations and does not deal well with 'mere statistics'."

"You are more likely to learn something by finding surprises in your own behaviour than by hearing surprising facts about people in general."

"The truth is regression to the mean has an explanation but does not have a cause."

Heuristics Cause Overconfidence

We feel confident when our stories seem coherent and we are at cognitive ease. Unfortunately, confidence does not mean accuracy.

The Illusion Of Understanding

- **The Narrative Fallacy.** We often create flawed stories to explain the past, which in turn shape our views of the world and our expectations of the future. For example, we may develop detailed models and formulas to explain what caused the global financial crises or Google's rise to success. But it's impossible to identify all the variables and events that happened (and those that didn't happen) to cause these outcomes. No one could have predicted the birth of Adolf Hitler and how it catalyzed World War II. So, we understand the past less than we think we do; Believing we know the past and can predict the future gives us a false sense of security.

- **The Hindsight Illusion.** Once we change our view of the world, we immediately lose much of our ability to recall what we used to believe. We feel as though our current belief has been our belief all along. This leads to hindsight bias (the "I-knew-it-all-along" effect). That's why it's easy to blame others for "bad" decisions on hindsight and give too little credit for good decisions.

The Illusion Of Validity

- **Skills Illusion.** We are prone to think that skills produce predictable results, e.g. experienced traders are believed to be better at evaluating and picking stocks. However, a truly efficient market cannot be predicted nor outsmarted, and studies have shown that traders' "educated guesses" are no better than blind guesses.

- **Formulas vs Intuitions.** Generally, statistical algorithms are better predictors than experts, because experts often try to "think out the box" and consider complex combinations. Their creative solutions sometimes work,

KEY QUOTES

"Confidence is a feeling, which reflects the coherence of the information and the cognitive ease of processing it."

"We humans constantly fool ourselves by constructing flimsy accounts of the past and believing they are true."

"The ultimate test of an explanation is whether it would have made the event predictable in advance."

"You cannot help dealing with the limited information you have as if it were all there is to know. You build the best possible story from the information available to you, and if it is a good story, you believe it."

"Actions that seemed prudent in foresight can look irresponsibly negligent in hindsight."

but reduce their overall reliability. Humans are also inconsistent - the same person can give different answers when asked to judge the same complex situation twice.

- **Trusting Expert Intuition.** Expert intuition can still be trustworthy and valuable under these conditions:
  - If the *environment is regular enough* to be predictable; and
  - The expert has had a chance to learn these regularities via *prolonged practice* (with timely, quality feedback)

  Some examples include chess-games, fire-fighting, and nursing.

The Optimistic Bias

Optimism is a positive trait. However, overconfidence and the **optimistic bias** can also lead people to take excessive risks.

- **Planning fallacy** is one outcome of this bias - people take on risky projects (e.g. litigation or starting a business) based on best case scenarios, without deliberating worst case scenarios or unknowns.
- **Outside View.** To address this fallacy, planners could adopt a more objective "outside view". Identify others who've engaged in similar projects, use their statistics as a baseline, then adjust the baseline using information specific to your case.

Heuristics affect Choices

Prospect Theory

This theory won Kahneman the Nobel Prize in Economics. It's built on 3 key ideas:

KEY QUOTES

"Valid intuitions develop when experts have learned to recognize familiar elements in a new situation and to act in a manner that is appropriate to it... Unfortunately, professionals' intuitions do not all arise from true expertise."

"Expertise...is a collection of skills, and the same professional may be highly expert in some of the tasks in her domain while remaining a novice in others."

"Intuition cannot be trusted in the absence of stable regularities in the environment."

"In terms of its consequences for decisions, the optimistic bias may well be the most significant of the cognitive biases."

"Most of us view the world as more benign than it really is, our own attributes as more favorable than they truly are, and the goals we adopt as more achievable than they are likely to be."

- The absolute value of money is less vital than the **subjective experience** that comes with changes to your level of wealth. For example, having $5,000 today is "bad" for Person A if he owned $10,000 yesterday, but it's "good" for Person B if he only owned $1,000. The same $5,000 is valued differently because people don't just attach value to wealth – they attach values to gains and losses.

- We experience **reduced sensitivity to changes in wealth**, e.g. losing $100 hurts more if you start with $200 than if you start with $1000.

- **Loss aversion.** We basically hate to lose money, and we weigh losses more than gains. To illustrate, look at these 2 options:

  - 50% chance to win $1,000 OR get $500 for sure
    Most people will choose the latter

  - 50% chance to lose $1,000 OR lose $500 for sure
    Most people will choose the former

  Generally, our brain processes threats and bad news faster, people work harder to avoid losses than to attain gains, and they work harder to avoid pain than to achieve pleasure.

KEY QUOTES

"You just like winning and dislike losing—and you almost certainly dislike losing more than you like winning."

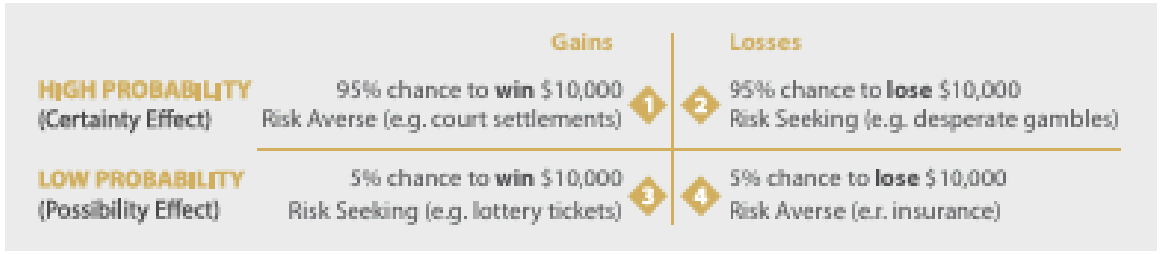
"We are driven more strongly to avoid losses than to achieve gains."

The Endowment Effect

An object that we own and use (or intend to use) is more valuable to us. We endow such objects with additional value, and we're unwilling to part with them. For example, you may buy a ticket for your favourite concert for $500, and refuse to sell it even for $5,000.

The Fourfold Pattern of Preferences

The table on the next page summarizes how we evaluate gains and losses.



- Certainty Effect: People are generally risk-averse when they have a high chance of getting a desired outcome.

  - In *Quadrant 1* (high probability, big gains), people will accept a less-than-expected value of the gamble to lock in a big gain. For example, someone may accept a $910,000 settlement rather than go for a lawsuit with a 95% chance of winning $1 million (i.e. they accept $40,000 less than the expected gamble value).

  - In *Quadrant 4* (low probability, big loss), people are willing to pay a premium for the certainty of not losing. They pay more to buy a peace of mind (e.g. insurance).

- Possibility Effect: We tend to give an irrationally high weightage to a desired but improbable outcome:

  - In *Quadrant 3* (low probability, big gains), people over-invest in a miniscule chance to win (e.g. lottery tickets)

  - In *Quadrant 2* (high probability, big losses), people take desperate gambles, often making things worse in exchange for a small hope of avoiding a large loss. This is why people throw in everything they have to treat a terminal illness, or sink in all their business assets in a futile attempt to catch up with competition.

When we combine the Possibility Effect, Availability Cascade and Cognitive Ease heuristics, we start to understand why people pay an undue amount of attention to rare events (e.g. terrorist attacks, asteroids), compared to likely events (e.g. rain tomorrow). This is especially so when the rare events are described vividly, frequently and repetitively.

Earlier, we shared how to adopt an "outside view" to address planning fallacies from excessive optimism. To counter the excessive caution from loss aversion, we can develop "risk policies" (e.g. never buy extended warranties), which act as broad frames to guide our routine decisions.

KEY QUOTES

"When you pay attention to a threat, you worry – and the decision weights reflect how much you worry. Because of the possibility effect, the worry is not proportional to the probability of the threat."

"When you take a long term view... you can see that paying a premium to avoid a small risk of a large loss is costly... Consistent overweighting of improbable outcomes – a feature of intuitive decision making – eventually leads to inferior outcomes."

"The outside view and the risk policy are remedies against two distinct biases that affect many decisions: the exaggerated optimism of the planning fallacy and the exaggerated caution induced by loss aversion."

Keeping Score

Except for the very poor, most money-seekers aren't just after economic gains - money also symbolizes success and achievement. Hence, people keep score of both (a) the potential financial gains and losses of a transaction, and (b) the emotional risks, rewards, and possible regrets of these decisions:

- The **Disposition Effect** refers to our tendency to sell "winners" (stocks that currently have a higher price than when purchased) rather than "losers" (stocks that're still at a loss). This is an example of "narrow thinking."

- The **Sunk-cost Fallacy** is the tendency to invest additional resources in a losing account, instead of other better investments. Cutting loss is emotionally difficult as it signifies failure. By gambling further, the decision-maker hopes to recoup the original investment or at least postpone the day of reckoning. This fallacy keeps people in poor jobs, unhappy marriages, and unpromising projects.

- **Fear of regret** influences many of our decisions. Consumers who are reminded of potential regret tend to choose safer, conventional options. Don't put too much focus on regret; it usually hurts less than you expect.

Joint Evaluations

We make decisions differently when they're done in isolation than when they are made in comparison with other scenarios. For example, we pay more for a "better-quality" TV that's displayed next to an "inferior" TV in the store, even when the difference in quality is imperceivable when the TVs are viewed in isolation.

Frames

How a problem is framed evokes emotional responses, which affect our choices. Because we hate to lose, we'll intuitively choose a "10% chance to Win" over a "90%

KEY QUOTES

"The emotions that people attach to the state of their mental accounts are not acknowledged in standard economic theory."

"A rational decision maker is interested only in the future consequences of current investments."

"Regret is an emotion, and it is also a punishment that we administer to ourselves."

"Joint evaluations highlights a feature that was not noticeable in single evaluations but is recognized as a decisive when detected."

"The meaning of a sentence is what happens in your associative machinery while you understand it."

chance to Lose". Doctors prefer interventions if there's a "survival rate of 90%" vs a "10% mortality rate." A closer look in these cases will reveal that the options are actually the same; only the frames are different.

Two Selves

We each have an "experiencing self" and a "remembering self". In his research on happiness, Kahneman found that our memories override our actual experiences, and we make decisions with the aim of creating better memories (not better experiences).

The Peak-End Rule. We evaluate our life like a story, focusing on significant events, memorable moments, and how it ends. The actual experience is not as important as the memory of how painful or pleasurable the experience was; our remembering self makes decisions based on the memories we expect to create. In fact, during an experiment, people chose to repeat a painful experience that lasted longer but ended pleasantly, over a shorter painful experience without a pleasant ending.

Experienced Well Being. When we resist ending an experience, it means we're having a good time. To improve our well-being, we should spend time on things that we enjoy and pay attention to what we are doing, so we get more pleasure from our current activities and create positive memories of these experiences.

Thinking About Life

- Generally, we're terrible at "**affective forecasting**", or predicting what will make us happy. People make decisions based on what they think will make them happy in the future, but find out when they "get there" that the happiness doesn't last, e.g. the satisfaction of marriage drops dramatically after the initial years.

KEY QUOTES

"Reframing is effortful and System 2 is lazy."

"Confusing experience with the memory of it is a compelling cognitive illusion."

"A story is about significant events and memorable moments, not about time passing... the ending often defines its character."

"The remembering self... composes stories and keeps them for future references."

"We all care intensely for the narrative of our own life and very much want it to be a good story, with a decent hero."

"Nothing in life is as important as it is when you are thinking about it."

- Our levels of happiness and life satisfaction depend on many factors. When we focus on only one area (e.g. income, health, relationships), we suffer from the **Focusing Illusion** and cannot assess our happiness accurately. We are also prone to acclimatization – what's initially exciting (e.g. a new car) loses appeal over time.

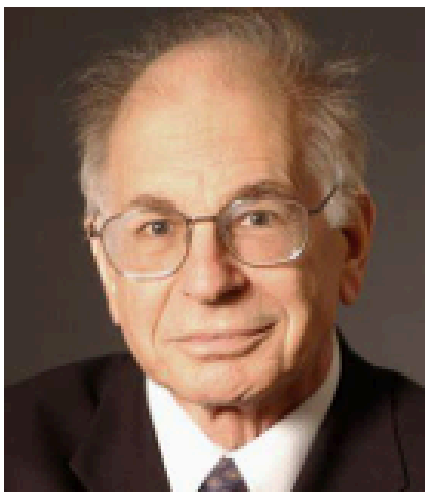
Conclusion

Our heuristics influence our choices, which can be irrational, counter-intuitive and sub-optimal. It's impossible to totally avoid biases and errors from System 1, but we can make a deliberate effort to slow down and utilize System 2 more effectively, especially when stakes are high.

Other Useful Details in the Book to Look Out For

This summary outlines the key heuristics and how they affect our thinking. The book is filled with pages of research, examples and exercises to help us experience our System 1 biases and errors at work. At the end of each chapter, Kahneman also shares examples of how you can use the new vocab in your daily conversations to identify and describe the workings of your mind and the fallacies around you. The book also includes 2 detailed Appendixes on (a) Heuristics and Biases, and Choices, Values and Frames.

About the Author



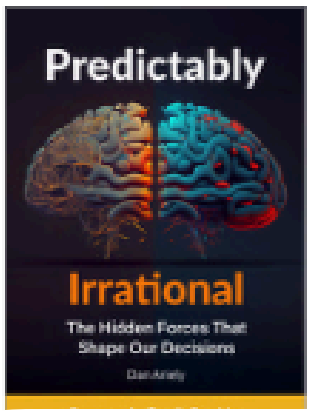
(Professor **Daniel Kahneman** (born 1934) is an Israeli-American psychologist. He was awarded the Nobel Prize in Economic Sciences in 2002 for his pioneering work that integrated psychological research and economic science. Much of this work was carried out collaboratively with Amos Tversky.

KEY QUOTES

"This book has described the workings of the mind as an uneasy interaction between two fictitious characters: the automatic System 1 and the effortful System 2."

"As we have seen again and again, an important choice is controlled by an utterly inconsequential feature of the situation This is embarrassing – it is not how we would wish to make important decisions."

"The way to block errors that originate in System 1 is simple in principle: recognize the signs that you are in a cognitive minefield, slow down, and ask for reinforcement from System 2."



PREDICTABLY IRRATIONAL

The Hidden Forces That Shape Our Decisions

Dan Ariely

The Big "So What"

Why do smart people make bad decisions—again and again? In *Predictably Irrational*, Dan Ariely shows how our choices are shaped by hidden forces we barely notice, from price anchors and social norms to expectations and emotions. Such patterns are systematic and predictable. Once we understand them, we can make smarter decisions in life, business, and policy.

Introduction: Why We Are So Predictably Irrational

We like to think of ourselves as rational beings, especially when the stakes are high. Yet, we make poor decisions all the time.

- Ariely discovered this firsthand as a burn victim, when he saw experienced nurses making systematic errors in pain treatment. This sparked his journey into *behavioral economics*—a field that blends psychology and economics to study how people *actually* behave, not how they are *supposed* to behave.

- Through more than *20 years of scientific experiments*, Ariely studied many factors that influence human behavior. This book reveals why we keep repeating the same mistakes, how to spot those patterns, and design better systems to work around them.

- In this summary, we'll explore Ariely's key insights in *3 parts*.

KEY QUOTES

"This book is about human irrationality—about our distance from perfection... recognizing where we depart from the ideal is an important part of the quest to truly understand ourselves."

"Our irrational behaviors are neither random nor senseless—they are systematic and predictable."

"Wouldn't economics make a lot more sense if it were based on how people actually behave, instead of how they should behave?"

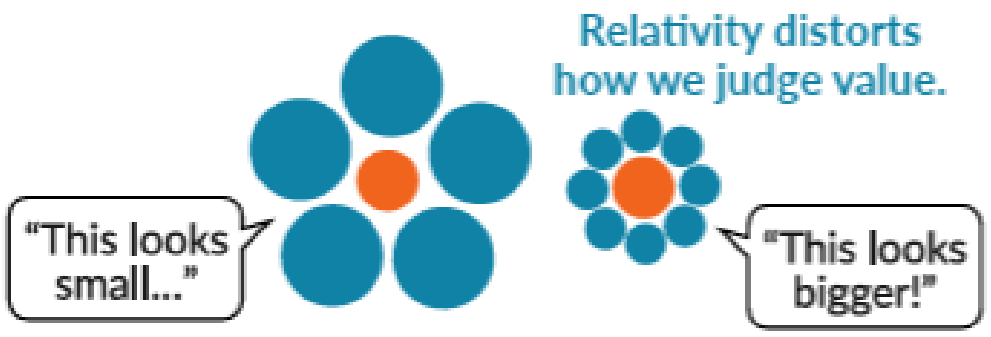
"Once you see how systematic certain mistakes are—how we repeat them again and again—I think you will begin to learn how to avoid some of them."

Part 1: How We Misjudge Value

We assume people know what they want and make rational choices. But in reality, our sense of value is easily distorted—by context, comparisons, and expectations.

Relativity: We Judge Value in Relative Terms, not Absolutes

We don't judge things in isolation. We rely on comparisons to decide what's "better" or "worth it"—even if those comparisons are arbitrary or misleading. This tendency, called relativity, shapes our decisions and even affect how happy we feel.



- Marketers exploit this with tricks like the "*decoy effect*", by introducing an inferior option (or a more expensive one) to nudge us toward a specific choice. In a study, participants were given 3 subscription options:

KEY QUOTES

"Humans rarely choose things in absolute terms. We don't have an internal value meter that tells us how much things are worth."

(i) Online-only ($59)

(ii) Print-only ($125)

(iii) Print + Online ($125)

Almost no one picked option (ii), but its presence made the last option (the combo) look like a great deal. When option (ii) was removed, far fewer people chose the combo deal.

- Adding an overpriced item on a *restaurant* menu makes other expensive dishes seem more reasonable. In *travel*, people are more likely to choose "Rome with coffee" over "Rome without coffee"—even if they don't care about the coffee.

Instead of evaluating real trade-offs, we often compare with **options that are nearby or easy to compare**, even if they're irrelevant.

- People will *choose an inferior option* over a superior one just because it looks better than something else. For example:
  - They might choose a job with a higher salary in a worse city because salary is easier to compare than quality of life.
  - A $10 saving feels more exciting on a $25 pen than a $500 suit—even though the value of $10 is identical.
  - We may pay $3,000 for a car seat upgrade but balk at $1,000 for a home sofa that we use more often.

To make better decisions:

- Avoid environments that trigger *irrelevant comparisons*, like touring homes you can't afford or comparing yourself to others.
- *Think beyond* what's in front of you: focus on what's truly relevant and important to you.

Anchoring Bias: First Impressions Stick

Our decisions are often shaped by **arbitrary anchors**. The first price we encounter often leaves an imprint that influences future decisions—even if the anchor is irrelevant.

KEY QUOTES

"Most people don't know what they want unless they see it in context."

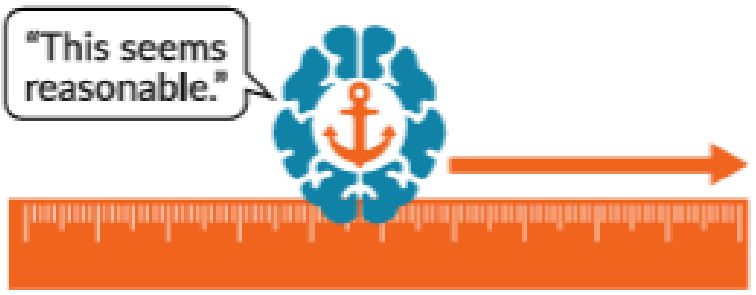
"We are always looking at the things around us in relation to others. We can't help it."

"We not only tend to compare things with one another but also tend to focus on comparing things that are easily comparable—and avoid comparing things that cannot be compared easily."

"Relativity helps us make decisions in life. But it can also make us downright miserable."

"The more we have, the more we want. And the only cure is to break the cycle of relativity."

"Our first decisions resonate over a long sequence of decisions."



- In an experiment, people wrote down the last 2 digits of their Social Security number (SSN), then bid on items like wine or books. Those with higher SSNs consistently bid more—even though these were *random digits* unrelated to the item.

- *Tahitian black pearls* had no demand initially. But, after marketers displayed them in high-end jewelry stores among other precious jewels, they became anchored in people's minds as rare and valuable. Demand skyrocketed after that.

- *Coffee* used to be 50¢. Then, Starbucks came along with Italian names, a cozy setting, and new rituals around coffee. Now, paying $5 for a coffee seems perfectly normal.

- Anchoring also affects how we value *time, pain, or effort*. In an experiment, participants were exposed to an irritating noise for 30 seconds, then asked how much they must be paid to hear it again. Those who were first asked "Would you listen to this again for 90¢?" demanded higher compensation than those who were initially asked "Would you listen to this again for 10¢?"

The perceptions from irrational anchors persist over time, reinforced by imitation and repetition (herding and self-herding).

- When we see a line outside a new café, we assume it must be good so we join in. We *follow the herd* assuming they know better, and our behavior further reinforces others' behaviors.

- Over time, we also *herd ourselves*. Once we've paid $5 for a coffee several times, we keep doing it without evaluating our choice each time.

What can we do about our anchoring bias?

- *Be alert* to the first price, experience, or label you encounter, as it can shape your future decisions. Ask: Would I make the same choice if I started fresh today?

KEY QUOTES

"The random, and not so random, anchors that we encountered along the way and were swayed by remain with us long after the initial decision itself."

"The choices and trades we make are not necessarily going to be an accurate reflection of the real pleasure or utility we derive from those products."

"Socrates said that the unexamined life is not worth living. Perhaps it's time to inventory the imprints and anchors in our own life."

- In *marketing and policies*, explore how anchors can be used to (i) promote savings and healthy choices, or to (ii) protect people from manipulative price cues.

Zero Price Effect: Free Things Come at a Cost

We overvalue free things, even though they often cost us more in time, effort, or missed opportunity.

- The word "FREE!" triggers a strong emotional response. We grab free items we don't need, because they appear to be risk-free. The "*zero price effect*" refers to how we irrationally choose inferior products or waste time/effort just because something is free.

- In a study, when participants were presented with a *high-quality* Lindt truffle over a standard Hershey's Kiss (Scenario A), most chose the Lindt. Yet, when the Kiss was offered for free (Scenario B), most chose the Kiss—despite an identical price difference:

Scenario A	Scenario B
Lindt Truffle: 15¢ Hershey's Kiss: 1¢	Lindt Truffle: 14¢ Hershey's Kiss: FREE
73% chose the Truffle	69% chose the Kiss

- In another study: kids could choose between (i) a large Snickers bar in exchange for 1 Kiss, or (ii) a smaller bar for free. Most chose the free version even though it was the worse option. Adults also prefer *offers that include free items*, even if they're worse deals overall.

- Amazon saw a huge boost in sales when they offered *free shipping*—except in France, where the fee was a negligible 1 franc (about 20¢). When France switched to free shipping, their sales jumped too.

- A *zero-calorie drink* sells much better than a 1-calorie one—even though the difference is insignificant.

KEY QUOTES

"Zero is not just another price, it turns out. Zero is an emotional hot button—a source of irrational excitement."

"When choosing between two products, we often overreact to the free one."

"We just can't resist the gravitational pull of FREE!"

"The difference between two cents and one cent is small. But the difference between one cent and zero is huge!"

- In reality, zero-price items *can cost you more* time, effort, and money in the long-term..
  - Ariely bought a costly Audi (instead of an economical, practical minivan) partly because it came with 3 years of free oil changes—worth only about $150.
  - People queue for hours for free cones or giveaways—paying much more in time/effort than what they save in money.

Beware of hidden costs behind "free" deals.

- As *individuals*: Ask "Would I still want this if it weren't free?" Pause before accepting freebies that clutter your space, waste your time, or sway your decisions.
- As *businesses/policymakers*: Use "Free!" to nudge people toward better choices, e.g. free health screenings, public transport, or eco-options.

Expectations: How Beliefs Can Alter Reality

Our beliefs and expectations shape our reality. Once we form a belief about a product, person, or experience, our mind filters information to match that belief—even if it contradicts the actual facts.

- In an experiment, participants tasted two beers: a regular beer, and another with balsamic vinegar added. Those who weren't told about the vinegar preferred it over the regular beer. But when they knew beforehand, they rated the vinegar beer much lower. The pre-knowledge had distorted their *taste experience*.
- *Branding and presentation* also affect our perceived experiences.
  - In a taste test for Coke vs Pepsi, participants favored Pepsi during the blind test. But when the brands were revealed, people prefer Coke—because the brand triggered stronger emotional and memory-related brain activity.
  - In a study, people were offered condiments (e.g. nutmeg, cloves) with their coffee. When the condiments were presented in upscale containers, people were willing to pay

KEY QUOTES

"When we believe beforehand that something will be good, therefore, it generally will be good—and when we think it will be bad, it will bad."

"When the coffee ambience looked upscale…the coffee tasted upscale as well."

much more than when they came in Styrofoam cups—even though the coffee and condiments were identical.

- *Stereotypes* affect expectations and behaviors too. Before a math test, participants were subtly reminded of either their Asian identity (positive math stereotype) or female identity (negative math stereotype). When primed with their Asian identity, scores went up. When primed with their female identity, scores dropped.

Be aware of how expectations shape your experience, especially when evaluating products, services, or people. You can also use rituals, symbols, or subtle cues to elevate experiences for yourself and others, e.g. using fancy menus, proper plating, and ambience to increase a meal's enjoyment.

Price: Why Expensive Feels More Effective

Placebos have been repeatedly found to alleviate pain, improve performance, and alter physical states. For example, medical placebos (like sugar pills) have been found to reduce pain or symptoms just because patients believe in their effectiveness.

- This response is *triggered by a wide range of cues*, such as:
  - How a treatment is described (e.g. "fast-acting");
  - What it costs (e.g. full price vs. discount); and
  - How it's presented (e.g. fancy packaging or brand label).
- *Price acts as a powerful trigger* for placebo effects. Higher prices lead us to expect higher value and better outcomes, creating real improvements in pain relief, performance, and perception—even when the product itself is exactly the same.

KEY QUOTES

"Expectations can influence nearly every aspect of our life."

"The truth is that placebos run on the power of suggestion. They are effective because people believe in them."

"We filter information through our eyes and brains in accordance with our expectations and patterns—and we are very good at convincing ourselves that what we wanted to see is indeed what we saw."

- In a study, all participants were given a fake painkiller (vitamin C) and exposed to mild electric shocks. Group A was told it costs $2.50 while Group B was told it costs $0.10. The expensive version reduced pain more—even though both were fake.

- In another study, participants received an energy drink before attempting to solve puzzles. Those who paid the full price solved more puzzles compared to the discounted group. In a follow-up study, participants were also told that the drink improved mental functioning—the full-price group showed much better performance, while the discounted group didn't.

Placebo effects are real and powerful. The same item can have drastically different effects based on expectations shaped by price, branding, and presentation.

- But when people *stop to think more carefully* about what's happening, the placebo effect often disappears.

- Ariely reflects on whether placebo effects should be encouraged—especially since higher-priced placebos tend to be more effective. He highlights the ethical dilemma and calls for *more research* to better understand placebo potential and limits.

Ownership Bias: We Overvalue What We Own

We tend to overvalue what we own, simply because it's ours. This endowment effect leads us to inflate prices, overbid in auctions, and resist letting go of objects, services, or even beliefs that we've grown attached to.

- *Ownership distorts how we see value*. In a study at Duke University, students entered a lottery for basketball tickets.

  - Those who won tickets were only willing to sell them for an average of $2,400, focusing on the experiences and memories they'd lose.

  - Those who didn't win were only willing to pay $170, focusing on the alternative ways they could use the money.

KEY QUOTES

"Our expectations can affect us by altering our subjective and even objective experiences—sometimes profoundly so."

"Consumers who stop to reflect about the relationship between price and quality are far less likely to assume that a discounted drink is less effective...the effect of discounts is largely an unconscious reaction to lower prices."

"We fall in love with what we already have."

"Ownership pervades our lives and, in a strange way, shapes many of the things we do."

- Both groups had equal desire before the draw. The only difference was ownership—which made winners value their tickets far more. *Ariely points out 3 quirks*:

  (i) Once something is ours—whether a house, a mug, or a sofa—we fall in love with it.

  (ii) We wrongly assume others see the same value in our possessions—but they don't.

  (iii) We fear losing more than we value gaining. So, we demand more to give something up than we'd pay to acquire it.

Ownership can be physical or virtual.

- The more *effort* we invest in something, the more we value it. The "IKEA effect" is how we feel more attached to things we help to build, even if the outcome isn't better.

- We may feel *virtual ownership* without even touching the item. In online auctions, people bid more aggressively the longer they're the top bidder, because they feel the item is already theirs. Free trials and 30-day return policies work the same way—once people try a product, they're reluctant to down-grade or return it.

- We also get attached to our *ideas and decisions*, making it harder to let go or change course.

There's no direct way to counter ownership bias. Ariely recommends pausing before buying to ask: Would I value the item the same way if it weren't already mine?

Part 2: Why We Lack Self-Control

We often intend to act in our long-term interests, but give in to temptation. We overvalue short-term rewards, struggle with self-control and change our preferences in the heat of the moment.

KEY QUOTES

"It is just difficult for us to imagine that the person on the other side of the transaction...is not seeing the world as we see it."

"The more work you put into something, the more ownership you begin to feel for it."

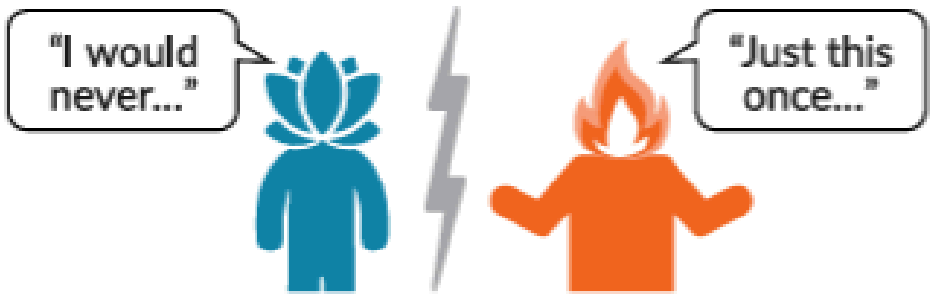
"Virtual ownership... is one mainspring of the advertising industry."

"There is no known cure for the ills of ownership...But being aware of it might help."

"Even the most brilliant and rational person, in the heat of passion, seems to be absolutely and completely divorced from the person he thought he was."

Hot-State Thinking: We Act Differently When Aroused

We like to think we can manage our behaviors at all times, but we're surprisingly bad at anticipating how we'll act when emotionally charged. In moments of intense arousal—whether it's lust, anger, or excitement—we make choices we won't endorse in a rational state.



- In an experiment, male college students were asked to answer a set of questions related to *sexual behavior*: once in a normal, rational state and again while sexually-aroused. In the aroused state, the same individuals were (i) more willing to engage in morally questionable behaviors (e.g. lying, drugging a partner) and (ii) more likely to take sexual risks (e.g. foregoing condoms, engaging in taboo acts).

- Similar patterns emerge with *anger, fear, hunger, or even competitiveness*. When emotions take over, we become impulsive, take greater risks, rationalize unethical behavior, and become less empathetic.

By understanding the gap between our "cool state" and "hot state" we can design smarter policies and make better choices. Plan ahead for your hot state while you're in cool state.

- *Don't rely on willpower*. Avoid situations where you'll face temptation, arousal or emotional overload that impair judgment.

- Create *structural boundaries or safeguards* while you're still rational. For example, keep condoms on hand, use cooling-off periods for purchases, or write scripts for what to do when angry or triggered.

KEY QUOTES

"Looking from one emotional state to another is difficult. It's not always possible; and... it can be painful."

"[The participants] were simply unable to predict the degree to which passion would change them."

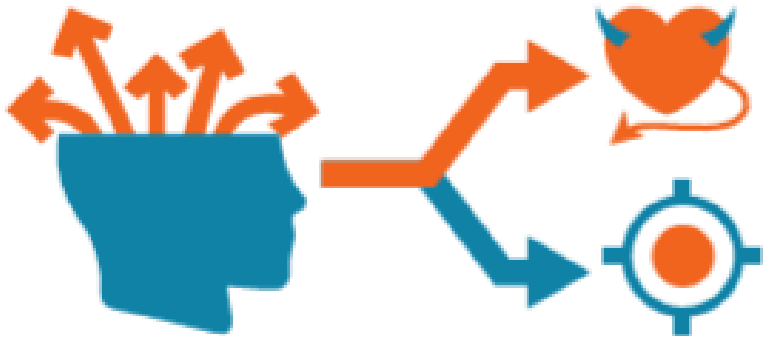
"We need to explore the two sides of ourselves...we need to see how the gap between the hot and cold states benefits our lives, and where it leads us astray."

"Avoiding temptation altogether is easier than overcoming it."

"Perhaps just being aware that we are prone to making the wrong decisions when gripped by intense emotion may help us."

Self-Control Failure: Why We Delay What Matters

Even when we know what's good for us—like saving money, exercising, eating healthy—we often don't do it because we give in to instant gratification.



- Left to own devices, *we procrastinate*. For instance, in a classroom experiment, students had to submit 3 papers in 12 weeks:

  (i) Group 1 had fixed deadlines at weeks 4, 8, and 12.

  (ii) Group 2 chose their own deadlines, with penalties if late.

  (iii) Group 2 had no deadlines, only a final submission date.

  Group 1 performed best, followed by Group 2 (though those who spaced out their deadlines did better than those who bunched them up at the end). Group 3 (with most freedom) did the worst.

We're more likely to succeed when we put up guardrails in advance.

- Design systems that bridge the gap between what we want to do and what we actually do. Use *precommitments*, e.g. pay a refundable deposit for a medical test so you're less likely to skip your health check, use automatic payroll deductions for savings, or exercise with a buddy to stay accountable.

Too Many Options: Why We Struggle to Let Go

We like to keep all our doors open, even when it makes us worse off. This fear of missing out leads us to juggle too many paths at once, stretch ourselves thin, and delay important decisions.

KEY QUOTES

"Giving up on our long-term goals for immediate gratification, my friends, is procrastination."

"Without precommitments, we keep on falling for temptation."

"People may set deadlines for themselves, but not necessarily the deadlines that are best for getting the best performance."

"We have problems with self-control...But each of the problems we face has potential self-control mechanisms, as well."

- When we try to keep all our options open, we *lose focus/ energy and hurt results*.

  - In an experiment, participants played a game where they earned money by clicking on doors in a virtual room. Each click earned cash, but the doors would disappear if ignored for too long. Since players had limited clicks, the best strategy was to focus on the most rewarding door. Yet, many kept clicking on low-paying doors just to stop them from disappearing.

  - We make the same mistake in real life. People stay in bad jobs, relationships, or commitments because they don't want to "burn bridges." Or, we overcommit to too many things because we can't bear to let go.

  - Given the choice, people will keep too many possibilities alive, *fearing they'll miss* out or make the wrong decision. This only reduces our ability to pursue the options that truly matter, leading to stress, distraction, decision paralysis, lost opportunities, and diminished results.

To focus, we must be willing to close doors—like how Chinese general Xiang Yu burned his army's ships after crossing a river, successfully forcing his troops to fight their way out with full commitment. Accept that you can't pursue everything. Let go of less promising paths to focus on what matters.

Part 3: When Social Factors Override Rationality

We like to think of ourselves as independent thinkers. In reality, our behavior is heavily shaped by social forces—like norms, expectations, and the people around us.

KEY QUOTES

"We work feverishly to keep all of our options open."

"How can we unshackle ourselves from this irrational impulse to chase worthless options?"

"What we need is to consciously start closing some of our doors...We have an irrational compulsion to keep doors open."

"Given a simple setup and a clear goal...all of us are quite adept at pursuing the source of our satisfaction."

Social vs Market Norms: Why Money Changes Relationships

We operate in 2 distinct worlds: one governed by *social norms* like trust, reciprocity, and community, and another governed by *market norms* like pricing, contracts, and transactions. Each works well on its own. But once you mix them, motivation collapses and it's hard to restore the social relationship afterward.

Social rewards can drive higher effort than money.

- People are often *more motivated by goodwill* than by small payments. In an experiment, participants were asked to drag circles into a square for 5 minutes.
  - (i) Those who did it as a favor (no pay) finished 168 circles.
  - (ii) Those paid $5 finished 159 circles.
  - (iii) Those paid 50¢ finished 101 circles.

  The unpaid group worked hardest, while a small payment undermined effort—as it shifted the mindset from doing a favor to calculating whether the effort was "worth it."

- *The same effect was seen with gifts/rewards*. When participants received chocolates as gifts, they worked harder regardless of the value of the chocolate. Once a value was attached to the gift (e.g. "50¢ Snickers"), effort dropped as the relationship became transactional.

- In a study, people who were exposed to words or screensavers about money became more self-reliant, less helpful, and more socially distant. *Just thinking about money shifted their behavior* toward market norms, even without monetary transactions.

- *Once market norms enter, social norms disappear*—and they seldom return. For example, a daycare center introduced a fine for parents who picked up their kids late. This actually *increased* the lateness, as parents now saw it as a fee-for-service, not a moral obligation to be on time. When the fine was removed later, lateness remained high as the relationship had changed.

KEY QUOTES

"When we keep social norms and market norms on their separate paths, life hums along pretty well...When social and market norms collide, trouble sets in."

"People are willing to work free, and they are willing to work for a reasonable wage; but offer them just a small payment and they will walk away."

"Money, as it turns out, is very often the most expensive way to motivate people. Social norms are not only cheaper, but often more effective as well."

"Introducing market norms into social exchanges... violates the social norms and hurts the relationships."

"Life with fewer market norms and more social norms would be more satisfying, creative, fulfilling, and fun."

Don't mix money with relationships.

- In *personal relationships*, don't offer money for personal favors or mention prices when it comes to gifts.
- In *business*, choose a frame and stick to it. If you want employees to focus on purpose and contribution, don't over-rely on cash rewards or penalties. If you're building a social relationship with customers, stick to social norms—even 1 wrong signal can change the relationship.
- *Policy-makers* should beware of using fines or payments to replace social obligations (e.g. parenting, civic duty) as it can erode intrinsic motivation in the long run.

The Honest Cheat: Why Good People Break Rules

We tend to view dishonesty as a deliberate crime—like a robber weighing the risk of getting caught before stealing. In reality, most cheating comes from **well-meaning people who bend the rules slightly**—just enough to benefit without feeling like "bad people."

- *We justify "small" infractions* like fudging expenses, copying homework, or wearing clothes with tags before returning them. Yet, such minor acts can accumulate into major systemic damage, e.g. employee fraud costs $600 billion annually—more than all robberies, burglaries, and thefts combined.
- *We cheat just enough to benefit*, but not enough to feel immoral. In a test, participants were paid for every correct answer. Those who self-reported their scores overstated them slightly. When the answer sheets were shredded (so there seemed to be no accountability), cheating increased but not outrageously.

KEY QUOTES

"If you want a social relationship, go for it, but remember that you have to maintain it under all circumstances."

"Cheating arises from our attempts to balance two incompatible goals. On one hand, we want to look in the mirror and feel good about ourselves...On the other hand, we're selfish, and we want to benefit from cheating."

"People cheat when they have a chance to do so, but they don't cheat as much as they could. Moreover, once they begin thinking about honesty...they stop cheating completely."

"When we are removed from any benchmarks of ethical thought, we tend to stray into dishonesty. But if we are reminded of morality at the moment we are tempted, then we are much more likely to be honest."

Moral reminders are a powerful deterrent for dishonesty. Just by asking people to recall the Ten Commandments or sign an honor code, you can activate their moral self-concept to dramatically reduce or even eliminate cheating.

Context & Abstraction: Environment Shapes Our Integrity

Context matters. People are more likely to cheat when their actions feel abstract or disconnected from real consequences.

- We're more likely to cheat *when money isn't directly involved*.
  - In a dorm, six-packs of Coke disappeared quickly from the fridge, while plates with $1 bills were left untouched.
  - We're more likely to take home a pen from the office than to take $1 from the petty cash to buy one.
  - When participants were paid in tokens (exchangeable for money) instead of cash, cheating more than doubled.

- This effect extends to *real-world corruption*, e.g. doctors may accept gifts from pharmaceutical companies (but not bribes), and employees may misreport numbers (instead of stealing cash).

As society moves toward cashless digital systems, it increases our psychological distance from money, making dishonesty more tempting and easier to rationalize. making it easier to rationalize dishonest behavior. To counter this, we need to deliberately connect actions to consequences, e.g. pricing office supplies or requiring pre-signature pledges.

Social Influence: How Others Shape Our Choices

Our personal preferences are often distorted in a group setting.

KEY QUOTES

"Cheating is a lot easier when it's a step removed from money."

"We can be dishonest without thinking of ourselves as dishonest. We can steal while our conscience is apparently fast asleep."

"When we deal with money, we are primed to think about our actions as if we had just signed an honor code."

- In social contexts, we often *sacrifice our real preferences* and true satisfaction to fit in or to protect our self-image.

- In an experiment, patrons who ordered beer aloud at a pub were *less happy with their selections*, as they chose options that seemed unique. Those who ordered privately were more satisfied with their choices (as they picked what they really wanted). The person who ordered first was usually the most content, as their choice was undistorted by social influence.

Watch for the impact of social influence and be more intentional with your choices.

Conclusion and Other Details in the Book

Standard economics assumes we make rational trade-offs. But behavioral economics reveals how our decisions are shaped by hidden forces—like emotion, framing, and social pressure. By understanding these patterns, we can design smarter choices, avoid repeated mistakes, and create subtle nudges that benefit individuals, businesses, and society.

This book includes many other real-world experiments and examples to explain the factors that shape our decisions and behaviors. For more information, visit predictablyirrational.com.

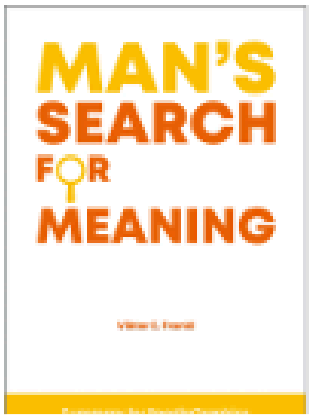
About the Author

Dan Ariely is a leading behavioral economist and professor at Duke University. Known for his engaging research on human irrationality, he explores how emotions, social norms, and cognitive biases influence our decisions. Ariely is also the founder of several behavioral science centers and a bestselling author of books. His work bridges academic insight with practical tools to improve choices in business, health, and everyday life.

KEY QUOTES

"People are sometimes willing to sacrifice the pleasure they get from a particular consumption experience in order to project a certain image to others."

"If we all make systematic mistakes...why not develop new strategies...to improve our overall well-being?"



MAN'S SEARCH FOR MEANING

VIKTOR E. FRANKL

The Big "So What"

Renowned psychiatrist Viktor Frankl survived the Nazi death camps as a prisoner. His years of suffering, experiences and insights led him to develop logotherapy, a branch of psychology built on the belief that humans are primarily driven by meaning. In this book, he chronicled his camp experiences and how logotherapy can be used to help people overcome anxiety and find happiness and fulfilment in life.

Introduction

In a concentration camp, all meaning and life goals are stripped away. When left with nothing but the skin on their backs, how do some prisoners persevere and survive while others collapse or give up? Frankl believed that meaning and purpose are powerful driving forces that allow mankind to overcome extreme odds and achieve extraordinary feats. His experience in the concentration camps reinforced his beliefs and inspired him to develop logotherapy.

In this summary, we've organized the key ideas into 2 parts:

- The physiological journey of a concentration camp prisoner; and
- Logotherapy: how to address anxiety and find meaning in life.

Part 1: A Concentration Camp Prisoner's Psychological Journey

During WWII, Frankl spent 3 years (1942-1945) in Auschwitz and other concentration camps as a prisoner. During this period, he observed that the prisoners went through 3 psychological phases with corresponding symptoms: shock, apathy and depersonalization.

KEY QUOTES

"Man's search for meaning is the primary motivation in his life and not a 'secondary rationalization' of instinctual drives."

"An abnormal reaction to an abnormal situation is normal behavior."

Phase 1: Admission to Camp → Shock

When the prisoners entered the camps, most of them went into shock. They couldn't handle the stress nor process the implications of their new situation, and reacted in ways that would've seemed abnormal under normal circumstances. Yet, abnormal reactions to abnormal circumstances are actually normal and expected. Such "abnormal" reactions included (i) delusions of reprieve, (ii) humor, (iii) curiosity, and (iv) a lack of fear.

Delusions of reprieve. When faced with dire circumstances, we *want* to believe that things will miraculously work out, even when evidence suggests the contrary.

- Frankl arrived at Auschwitz with 1,500 people. The prisoners originally thought they were being sold to a factory as forced labor and were shocked to realize the train had arrived at a concentration camp. But when they saw a small group of well-fed, healthy-looking camp prisoners boarding the train, they told themselves that things may not be that bad. Then, they were split into 2 groups, and the larger group (with 90% of the newcomers) was sent to death within a few hours.

- Frankl was part of the minority that survived. When the remaining prisoners were told to surrender all their possessions and valuables, some still naively requested to keep certain items. They simply couldn't process that they could lose everything overnight, including their identity and past lives.

- However, bit by bit, their hopes and illusions were stripped away. Their clothes were removed, their heads and bodies were shorn, and they were whipped/beaten at the slightest provocation. Frankl finally realized that he was literally left with nothing but his naked existence.

No fear of death. Everyone knew of the high death rates in concentration camps. Yet, the very knowledge of their impending death made death less fearful.

KEY QUOTES

"We, too, clung to shreds of hope and believed to the last moment that it would not be so bad."

"No one could yet grasp the fact that everything would be taken away."

Humor. Instead, the prisoners tried their best to crack jokes, e.g. making jibes about how there was actually water in the showers.

Curiosity. Next, a strange, detached sense of curiosity set in, e.g. if someone got seriously injured, he may wonder if/how he'd survive the injury, rather than fear the outcome per se. This was the mind's way of protecting itself from the horrors all around. In fact, the prisoners were often surprised at how much they could endure, e.g. they could stand wet and naked in the autumn chill without catching a cold, or survive with very little sleep.

Phase 2: Routine → Apathy

New prisoners missed their loved ones and felt disgust, horror, and pity at the level of death and suffering. One of the worst pains was the mental-emotional trauma of being treated like animals. Yet, the initial shock of Phase 1 wore off as the prisoners settled into a routine and transited to their grim new reality. In Phase 2, apathy set in, i.e. they became numb to the physical and psychological pain of the daily beatings and abuse.

Apathy served as a protective shell or a defense mechanism. It allowed the prisoners to conserve their strength to focus on the overriding goal of survival.

- The prisoners were severely underfed and undernourished. They spent long hours doing manual labor, but were given only ≤10.5 ounces of bread a day, with 1.75 pints of thin soup, and small daily "allowances" in the form of bits of margarine, honey, jam, cheese or sausage. Over time, they lost their fats/muscles and became skin and bones. Once their immunity system collapsed, the death toll rose even further. They needed every ounce of energy to stay alive.

- Things that used to bring feelings like horror or disgust no longer affected them. When a prisoner died, others would apathetically salvage the dead man's food, clothes, and possessions.

KEY QUOTES

"The most painful part of beatings is the insult which they imply."

Phase 3: Liberation → Depersonalization

After the prisoners were liberated, they entered a 3rd Phase: depersonalization, where they felt disconnected from their own bodies, thoughts and feelings, as if they were observing their life from the outside in a dreamlike state.

- When the prisoners were finally freed, they didn't feel the joy or excitement they'd expected. They'd become so emotionally numb and detached that they had *forgotten how to feel*.

- Moreover, the survivors would've at some point dreamt of being free before waking up to the terrible reality that they were still imprisoned. Thus, their minds *didn't dare to believe that the freedom was real*. Their starved body, however, showed no such reservations and they ate with an endless appetite.

After prolonged mental pressures and physical captivity, sudden liberty can be dangerous. It's similar to how a diver can die from the sudden change in pressure if he rises to the surface too quickly from the ocean depths. Many liberated prisoners suffered from 3 key negative responses:

- In some cases, the oppressed became the oppressor. They *felt justified to harm/hurt others* like how they'd been hurt.

- They also *felt bitter* when other people didn't seem to acknowledge or care about what they'd been through. They questioned what all their suffering was for.

- They *felt disillusioned* when the world they returned to wasn't what they'd imagined it would be. Often, the liberated prisoners returned to their hometown only to find their loved ones gone, and things were no longer as they remembered.

Despite the adjustment difficulties, at some point all the liberated prisoners were able to look back with wonder at how they survived the camps, and feel as if there was nothing else to fear (except perhaps God).

KEY QUOTES

"We had literally lost the ability to feel pleased and had to relearn it slowly."

"'Freedom'—we repeated to ourselves, and yet...we could not grasp the fact that freedom was ours."

"We were not hoping for happiness...And yet we were not prepared for unhappiness."

Coping Mechanisms

Despite the horrifying camp life, many prisoners managed to retain their sense of self, find psychological relief and even inner peace. Frankl observed that survival and self-preservation depended much more on mental-emotional strength than physical strength, and the survivors often demonstrated several coping mechanisms.

Rich inner lives. No matter how unbearable our external circumstances, humans have the ability to retreat into an inner psychological space of peace and safety. Prisoners who had rich inner lives coped much better than those who didn't.

- It's possible to find *humor*, joy and laughter in anything. Frankl challenged his friend to come up with at least 1 amusing story each day, focusing an amusing scenario after their liberation (e.g. something silly at a family dinner or at work).

- *Art and beauty* can enrich your inner life and trigger wonderful memories. Where possible, the prisoners improvised with music and poetry, or paused to admire a beautiful sunset. Even when they were being transported from one concentration camp to the next, they could admire the Salzburg mountains from the train.

- Many prisoners deepened their *religious and spiritual beliefs* in camp, finding pockets of time and hidden corners to run makeshift religious services.

- During his imprisonment, Frankl came to realize the power of *love* as a life-force. Even if a man has nothing, he can still feel joy and bliss by thinking of something/someone he loves. Frankl often conversed with his wife in his head, and focused on his loving memories of her to distract himself from his pain. He didn't know if she was still alive, but he decided he would act in a way that'd honor her.

- The prisoners also used their *imagination* to escape temporarily from their camp life, e.g. talking about the favorite dishes they'd have when they went home. Many dreamt regularly of a life of freedom.

KEY QUOTES

"(The) intensification of inner life helped the prisoner find a refuge from the emptiness, desolation and spiritual poverty of his existence."

"Humor was another of the soul's weapons in the fight for self-preservation."

"As the inner life of the prisoner tended to become more intense, he also experienced the beauty of art and nature as never before."

"Love is the ultimate and the highest goal to which man can aspire."

"The salvation of man is through love and in love...a man who has nothing left in this world still may know bliss, be it only for a brief moment, in the contemplation of his beloved."

Goals for the future. A concentration camp prisoner was reduced to a number. He had no name, no possessions, and no idea if/when he'd ever be free. Frankl was simply #119104 and spent the bulk of his time digging and laying tracks for railway lines. It was like being stuck in a "provisional existence" without an end-date.

- Many prisoners committed suicide since they felt they had nothing to live for. Yet, those with life goals somehow found a way to persist. Once you know your "why", you'll find the "how".

- Frankl helped many of the prisoners to set future goals, e.g. to return to a son/wife, finish writing a book series etc. Even small goals (e.g. planning a favorite dinner menu or family event) gave people something to look forward to.

Perception of Choice. Despite the suffering in a concentration camp, prisoners still had choices.

- Prisoners constantly decided if they'd push to survive another day or simply give up. They chose whether to let the camp degrade them to an animal, or stay true to their human values and sense of self. Some prisoners chose to abuse others while others offered comfort and shared what little food they had. Some guards were sadistic while others chose to be kind. *You can choose to retain your human dignity* even in a death camp.

- In 1945, there was an outbreak of typhus. After surviving typhus in his own camp, Frankl volunteered for medical duties at another typhus-wrecked camp. This would increase his risks of dying from the disease, but he decided he'd rather die with purpose. Later, Frankl almost escaped with other prisoners when an opportunity arose. Yet in the end, he chose to stay with his patients, and this decision brought him a profound *sense of inner peace*. On hindsight, Frankl realized that things seldom turned out as expected; his life was saved on many occasions when he chose what felt right rather than what he thought would've served his self-interests.

- No matter what your external circumstance are, you *can* choose how to interpret the situation and *find meaning in suffering*, e.g. see it as an opportunity to test your inner

KEY QUOTES

"He who has a why to live can bear with almost any how."
— Nietzsche

"Every day, every hour, offered the opportunity to make a decision, a decision which determined whether you would or would not submit to those powers which threatened to rob you of your very self, your inner freedom."

"Man can preserve a vestige of spiritual freedom, of independence of mind, even in such terrible conditions of psychic and physical stress."

strength and grow yourself. Even if you're terminally-ill, you *can* choose what to do with your remaining time on earth. In fact, such choices often define who you truly are as a person.

Part 2: Logotherapy and the Power of Meaning

What is Logotherapy?

Frankl's experience in the concentration camps inspired him to develop logotherapy. "Logos" stands for "meaning" in Greek, and Logotherapy is a psychological approach that focuses on the meaning of human existence.

- It's built on the principle that humans are motivated by meaning. We want to know why we exist, what we're supposed to do, and that there's value in our existence.
- In a survey of college students, only 15% indicated the most important thing to them was "making a lot of money", compared with 78% who chose "finding a purpose and meaning to my life". In a public-opinion in France, 89% said that humans needed something to live for, and 51% said there was something or someone they'd die for. Similar results were found in Vienna.

Unlike psychoanalysis (which treats neurosis by examining the patient's past), logotherapy focuses on introspection and what the patient wishes to fulfill in the *future*. Frankl asserted that the search for meaning should *not* be treated like a disease or dysfunction.

- Specifically, we suffer from "*existential frustration*" in 3 ways:

(i) Frustration with existence itself (i.e. the things we must be/do to exist as a human);

(ii) Frustration with the meaning of life in general (i.e. why are *we* here?); and

(iii) Frustration with the meaning of our personal existence (i.e. what am *I* here for?)

KEY QUOTES

"Man...is able to live and even to die for the sake of his ideals and values!"

"Existential frustration is in itself neither pathological nor pathogenic."

These may make us feel empty, detached and lost, but they don't mean we need psychiatric help.

- Instead of trying to "fix" the patients with drugs and analysis, logotherapy is simply about *guiding patients* through their growth or developmental crisis. For example, a high-ranking American diplomat was dissatisfied with his career and struggled to adhere to America's foreign policy. For 5 years, he underwent psychoanalytic treatment, and his analyst insisted that his job dissatisfaction was rooted in his problematic relationship with his father. Finally, the diplomat approached Frankl. After a few sessions, they established that there was a conflict between his vocation and desire for meaning. He found contentment once he switched to another profession.

- It's also a flawed assumption that a healthy mental state means being in perfect balance/equilibrium. Often, inner conflict and tension helps us to grow, improve and deepen our self-awareness. *Constructive tension*—the tension between where you are and where you can/want to be—drives you to take action and push beyond your current boundaries. Good mental health isn't about being conflict free; it's about how you address conflicts in your life.

KEY QUOTES

"Mental health is based on a certain degree of tension, the tension between what one has already achieved and what one still ought to accomplish, or the gap between what one is and what one should become."

What's The Meaning of Life?

There's no universal definition for the meaning of life, since such meaning varies from person to person and from moment to moment. It's just like how there's no such thing as *the* best chess move in the world—the "best" move will depend on the specific game, players and their respective strategies and counter-strategies. What truly matters is the meaning of your life *right now*.

"What matters...is not the meaning of life in general but rather the specific meaning of a person's life at a given moment."

- No two people are the same, and every life situation is unique. This means that *you're fundamentally responsible* for each and every choice that you make. Instead of asking for the meaning of life, look to your daily choices as they'd show what *you* are making of your life right now.

"Logotherapy sees in responsibleness the very essence of human existence."

- To assess if you're *making a right decision*, fast-forward to the moment when you're on your deathbed, and ask

"Live as if you were living already for the second time and as if you had acted the first time as wrongly as you are about to act now!"

yourself if you'd be happy with the choice you're about to make. Then make your decision as if you've been given a second chance to do it right.

- Instead of telling the patient why, what or how to behave, the logotherapist's role is to help him to see himself, the world and his range of options clearly, so he can *make enlightened choices*.

Frankl disagreed with a key assumption in psychoanalysis—that humans' behaviors are pre-determined by biology and external conditioning. He believed that mankind is self-determining: no matter what happened in the past, what we decide *now* will shape what happens next, and thus redefine our existence, who we are and who we're becoming. Your past does not pre-determine your future.

3 Paths for Finding Your Meaning in Life

There's no easy or straightforward way to discover your meaning in life, though logotherapy offers 3 broad approaches do to so:

Through action, i.e. the deeds you perform or the things you create. This could include the things you do/create in your work, family, social, personal or religious life.

Through your positive inner experiences with something (e.g. goodness, truth, beauty, nature) or someone. Love, in the context of logotherapy, goes beyond romance and sex; it's a deeper experience of togetherness. You can only see someone's innermost qualities—including their potential—if you love them. Your love in turn empowers them to actualize their potential, and creates the feeling that they're seen, accepted, challenged yet supported. Love is a powerful force—that's why people are willing to make sacrifices to give their children a better life, to make their partners happy, or to contribute to a bigger cause.

Through suffering. Suffering is unavoidable (e.g. losing someone we love), but we *can* seek to find meaning in it. In fact, if you're "stuck" in a situation you can't change (e.g. if you're diagnosed with a terminal illness), then the only thing you can do is to change your own attitudes and perspectives.

KEY QUOTES

"Man is capable of changing the world for the better if possible, and of changing himself for the better if necessary."

"By making him aware of what he can be and of what he should become, he makes these potentialities come true."

"When we are no longer able to change a situation...we are challenged to change ourselves."

However, while you can find meaning in suffering, you don't *need* to suffer to find meaning—suffering unnecessarily is basically being masochistic.

- There are *3 key types of suffering*—pain, guilt and death—and you can find meaning in all of them:

  (i) See *pain* as sacrifice. A man had been depressed since his wife's death 2 years ago. After speaking with Frankl, he realized that his wife would've been the one in pain if he had passed away before her. He now saw his suffering as a form of sacrifice to spare his wife the pain, and his depression disappeared.

  (ii) Use *guilt* to improve future actions. Logotherapy can help reduce recidivism by redirecting guilt about the past into constructive actions. If criminals can choose to commit a crime, they can also choose to learn from and rise above their mistakes.

  (iii) Use *mortality* to inspire responsible action. Human life may be fleeting, but once you make a decision and take action, you create real outcomes that leave a permanent footprint. If you live to your fullest and make the most of *every* moment, you'll have no reason to look back with regret when you're old.

  - What if your suffering is so great that you simply can't find any meaning in it? Well, animals are used in medical tests to study diseases/cures. They undoubtedly experience pain and suffering, much of which they can't comprehend. Likewise, there could be a *wider purpose to our suffering* that we simply can't grasp.

For all 3 paths above, true meaning and actualization will always come from focusing on something beyond yourself, e.g. giving yourself fully to a cause or to loving someone.

Addressing "Collective Neurosis"

Just like how each individual has his/her unique purpose, each generation has its unique psychological challenges. The present generation is grappling with nihilism—the belief that life is empty and meaningless.

KEY QUOTES

"In some way, suffering ceases to be suffering at the moment it finds a meaning, such as the meaning of a sacrifice."

"Suffering is an ineradicable part of life...Without suffering and death human life cannot be complete."

"Self-actualization is possible only as a side-effect of self-transcendence."

How did an entire generation end up in an existential vacuum? Ironically, it's partly a result of our freedom and better living conditions.

- Our human ancestors had to rely on primal animal instincts to survive and procreate; they simply had no need/ability to ponder about the meaning of life. With cultural progress, our roles and behaviors were dictated by tradition, religion and social norms, so there was still minimal need/opportunity to define our own roles or purpose in life.

- In modern societies, we've lost touch with many traditions and are free to make our personal choices. Without others telling us what to do and believe, we feel lost. When we're bored, we feel discontented and seek to fill our inner void. With automation and longer lives, we may also find ourselves losing the jobs that used to give us our sense of purpose and identity.

Frankl believed that logotherapy is a much better approach for dealing with nihilism than traditional psychotherapy.

- *Logotherapy* assumes that life has meaning, asserts that you're free to and responsible for defining what to do with your life, and focuses on helping people to identify their options for the future. It directly addresses the void that people are grappling with.

- On the other hand, the most popular *psychoanalytical approach* (by Sigmund Freud) asserts that humans are driven by pleasure, and our behaviors are determined by our past experiences. This only reinforces the view that we're pawns to our biology and social conditioning. Focusing on your past may also lead to a downward spiral if those were the same experiences that taught you life was meaningless.

Using Logotherapy to Counter Anxiety

When we're anxious, we tend to get fixated on the causes of our anxiety, creating a loop called "anticipatory anxiety". Frankl explained 2 conditions associated with anticipatory anxiety:

KEY QUOTES

"The logotherapist's role consists of widening and broadening the visual field of the patient so that the whole spectrum of potential meaning becomes conscious and visible to him."

- *Hyper-intention* is when you focus so much on something you *want* that you end up sabotaging it. For example, the more you try to achieve a sexual orgasm, the harder it is. Or, the more you try not to sweat, the more likely you will.

- *Hyper-reflection* is about paying too much attention to something you *don't want*, only to worsen it, e.g. a woman became frigid not because of the childhood sexual abuse she suffered, but because of the amount of psychoanalytical research she did thereafter which amplified her trauma.

These conditions can be countered using logotherapy:

- Counter hyper-intention with *paradoxical intention*, i.e. consciously plan to do the *opposite* of what you're afraid of. If you're anxious about sweating during a speech, flip it around by challenging yourself to show the audience how much you can sweat. If you're trying to fall asleep, challenge yourself to stay awake as long as possible.

- Counter hyper-reflection with *dereflection*, i.e. redirect the focus *away* from yourself to something external or wider. By alleviating the anxiety, it inadvertently helps to achieve your goals. Continuing from the example above, the frigid woman found it easier to achieve orgasm when she shifted the focus away from herself to her partner instead.

Fundamentally, you can't force happiness. Pushing too hard will only cause hyper-intention. When we over-emphasize the need to be constantly happy and in-balance, we end up feeling bad/guilty for being unhappy, thus making things worse. Instead of directly searching for happiness, it's much more effective to search for a *reason* to be happy. It's like how you tell a joke to make someone laugh, rather than force him to laugh. When you find meaning in your life, you automatically find hope, motivation and happiness, actualize your potential and create an upward spiral.

Other Details in the Book to Look out For

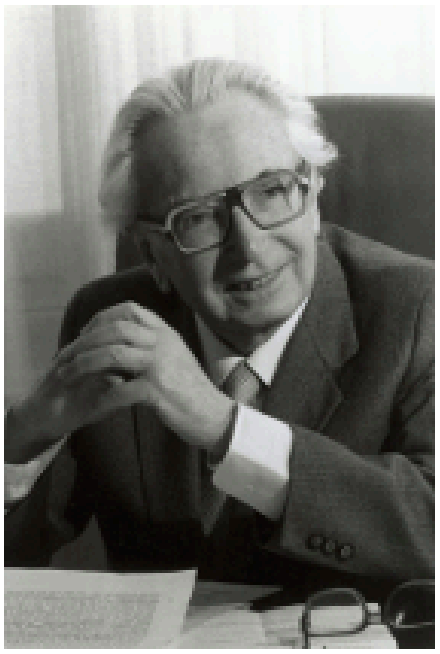
This book is actually a combination of several of Frankl's works, including a narrative of his concentration camp experiences, an overview of logotherapy and an elaboration of its philosophy and

KEY QUOTES

"Happiness cannot be pursued; it must ensue. One must have a reason to 'be happy.' Once the reason is found, however, one becomes happy automatically."

practices. It includes many detailed narratives, examples and discussions about life, meaning, logotherapy and its applications. For more details, please visit www.viktorfrankl.org.

About the Author

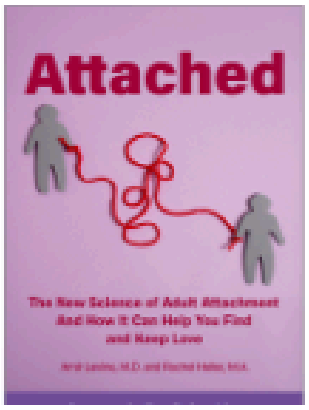


Dr. Viktor Emil Frankl (1905-1997) was an Austrian neurologist and psychiatrist. He founded logotherapy, a school of psychology, after he survived the Holocaust during WWII. Dr. Frankl received the degrees of Doctor of Medicine and Doctor of Philosophy from the University of Vienna. Dr. Frankl was a Professor of Neurology and Psychiatry at the University of Vienna Medical School and Distinguished Professor of Logotherapy at the U.S. International University.

He was also a visiting professor and guest lecturer at several universities around the world, the President of the Austrian Medical Society of Psychotherapy and Honorary Member of the Austrian Academy of Sciences.

KEY QUOTES

"Every negotiation reaches a point where you need to communicate to the other side that they've pushed you as far as they can."



ATTACHED

The New Science of Adult Attachment And How It Can Help You Find and Keep Love

Amir Levine, M.D. and Rachel Heller, M.A.

The Big "So What"

Why do some romantic relationships thrive while others fail? This book explains the science behind adult attachment, the reasons for common relationship challenges, with practical strategies for building stronger, healthier, and more fulfilling relationships. Whether you're single, dating, or in a long-term relationship, *Attached* provides actionable tips to help you find and sustain the love life you desire.

The Science of Adult Attachment

The attachment theory explains why people behave the way they do in relationships.

- There are *3 main attachment styles*—secure, anxious, and avoidant—that shape how we connect, communicate, and seek intimacy. It applies to all types of relationships, including romance, friendships, family, and colleagues.
- In this book, psychologists Amir Levine and Rachel Heller focus on *romantic relationships in adults*, using their experience in psychiatry, neuroscience, and social-organizational psychology to translate scientific research into practical insights and strategies for romantic relationships.

This summary presents the insights in 3 parts:

- The origins and foundations of adult attachment theory;
- The behaviors, traits, and challenges of each attachment style; and

KEY QUOTES

"By understanding that people vary greatly in their need for intimacy and closeness and that these differences create clashes, attachment findings offered us a new way of looking at romantic relationships."

"Understanding attachment styles is an easy and reliable way to understand and predict people's behavior in any romantic situation."

"Although we all have a basic need to form close bonds, the way we create them varies."

- Practical strategies to find a compatible partner, navigate relationships effectively, and nurture secure, fulfilling relationships.

Part 1: Understanding the Adult Attachment Theory

Origins of Attachment Styles

John Bowlby and Mary Ainsworth developed the original attachment theory, focusing on the bond between infants and their primary caregivers. This bond is crucial for a child's safety and survival, and it shapes how they handle relationships as adults.

- Ainsworth's experiments, including the "Strange Situation" test, identified *3 main attachment styles in children*:

  (i) *Anxious*: The baby is distressed when the mother leaves, and is both happy and angry when she returns.

  (ii) *Avoidant*: The baby seems indifferent when the mother departs or returns, but is actually stressed inwardly.

  (iii) *Secure*: The baby is upset when the mother leaves but quickly calms down upon her return.

- Such attachment styles were initially thought to come solely from childhood interactions. However, research has since shown that *genes and life experiences* also play a part.

Adults have been found to exhibit similar attachment styles. These affect how we manage intimacy, conflict, dependence, and autonomy in adult romantic relationships.

- *Anxious*: People with this style crave intimacy, often worrying about their relationships, and fearing their partners may not reciprocate their feelings.

- *Avoidant*: People with this style see intimacy as a threat to their independence and prefer to keep a distance in relationships.

KEY QUOTES

"The attachment theory.... allowed us to learn not only what goes 'wrong' in relationships but also what goes 'right'."

"An entire mosaic of factors comes together to create this attachment pattern: our early connection with our parents, our genes, and also something else—our romantic experiences as adults."

- *Secure*: People with this style are comfortable with intimacy, and are typically warm and loving.

Every person has an attachment style.

- Such styles tend to remain stable, though they *can change over time* for about 1 in 4 people.

- People with secure attachments generally report higher relationship satisfaction compared to others. The *keys to a thriving relationship* include: developing a secure attachment style, finding a secure partner, or helping your current partner adopt a secure style.

Dependency in Relationships

Challenging the self-sufficiency myth: There's a long-standing misconception that people should be emotionally self-sufficient. In the 1940s, experts advised against "coddling" children, saying it would lead to emotional instability.

- Early attachment research challenged this view. For example, infants that lacked attachment figures showed abnormal development even though they were well-nourished, proving that healthy development requires both *emotional bonds and physical care*.

- Some modern self-help advice also promotes *strict independence* and avoiding emotional entanglements.

Yet, human beings are biologically wired for connection.

- Our emotional bonds affect our *physiological responses*. Studies show that, once attached, partners regulate each other's blood pressure, heart rate, breathing, and hormone levels.

- *Healthy dependence* on a partner offers comfort and reduces stress, making you more autonomous and resilient.

  (i) Dr. James Coan found that women felt less stressed when holding their husband's hands while awaiting a mild electric shock.

KEY QUOTES

"Time and again, research shows that the best predictor of happiness in a relationship is a secure attachment style."

"We live in a culture that seems to scorn basic needs for intimacy, closeness, and especially dependency while exalting independence. We tend to accept this attitude as truth— to our detriment."

"Dependency is a fact; it is not a choice or a preference."

(ii) Dr. Brooke Feeney found that couples who feel supported by their partners reported higher self-esteem, better mood, and greater confidence in achieving their goals.

Our need for closeness creates a "dependency paradox." The more fully we can depend on our partner and trust them as our secure base, the more independent we can be.

- When we're attached to someone, we view them as our "*secure base*" and seek their support, both mentally and physically.
- If we feel *safe and secure*, we feel empowered to explore, take risks, and achieve our goals.
- If we feel *insecure or threatened*, we instinctively seek to restore a sense of safety.

(i) Both children and adults show "*protest behaviors*" or "*activating strategies*" when separated from their attachment figures. Children might cry for an absent mother, while adults might seek reassurances or repeatedly call their partner on the phone. We find it hard to focus on other activities until our secure base is restored.

(ii) When partners fail to meet each other's attachment needs, it can create *chronic tension and stress*, hurting their emotional and physical health.

Part 2: Understanding the 3 Attachment Styles

By understanding your attachment style and your partner's, you can gain insight into your respective needs and behaviors.

Secure Attachment Style

Overview: Individuals with a secure attachment style ("secure individuals") are comfortable with intimacy and are generally warm and loving. They find it easy to depend on others, and to have others depend on them. They do not worry constantly about being abandoned, nor about their partner getting too close. As a result, they generally report higher satisfaction, commitment, and trust in relationships.

KEY QUOTES

"Once we choose a partner, there is no question about whether dependency exists or not. It always does."

"Attachment principles teach us that most people are only as needy as their unmet needs."

"The need to be near someone special is so important that the brain has a biological mechanism specifically responsible for creating and regulating our connection with our attachment figures."

"In a true partnership, both partners view it as their responsibility to ensure the other's emotional well-being."

People with a secure attachment style tend to demonstrate these traits and behaviors:

- They engage in *open and direct communication*. They express their needs, problems, and successes openly because they expect their partner to be loving and responsive.

- They are *comfortable with both closeness and independence*. They can read others' emotions, express themselves, and effectively provide and receive support. This tends to create a "buffering effect" to help an insecure partner feel more secure and satisfied with the relationship.

- They demonstrate high levels of *trust and commitment* in close relationships. They believe in their ability to strengthen a relationship and are committed to its growth. They don't see the need to "play games" or engage in a "relationship dance" of push-and-pull.

- They can *resolve conflicts calmly and effectively*, showing flexibility and openness to feedback. If they're treated disrespectfully, they tend to see it as a reflection of the other person's shortcomings, not their own self-worth. This allows them to move on without dwelling on the issue.

KEY QUOTES

"What may come as hard work for some— to keep an even emotional keel in the face of threat—comes effortlessly for someone secure."

"Secure adults naturally know how to soothe their partners and take care of them—it's innate talent."

Anxious Attachment Style

Overview: Individuals with an anxious attachment style ("anxious individuals") crave intimacy but worry constantly about their relationship stability. They need constant reassurance, potentially leading to clingy or dependent behavior.

- Anxious individuals feel insecure in relationships. They are sensitive to shifts in their partner's moods or behaviors, tend to overthink them and misinterpret them as relationship threats. This triggers their attachment system, and they use *activating strategies* to reconnect, e.g. calling or texting their partner repeatedly.

  (i) If the partner responds positively and quickly (e.g. texting to explain they can't take a call because they're in a meeting), they feel secure and return to their "*safe zone*".

"Notice that if you feel unsettled in a relationship situation, all that is required is a minimal reassurance from your partner to get back on track."

(ii) But if the issue drags on, their anxiety escalates and they enter the "*danger zone*". They worry obsessively (e.g. thinking their partner is upset or even involved with someone else) and may take extreme measures to regain attention.

In short, anxious people tend to demonstrate these traits and behaviors:

- They need *frequent reassurance and validation*. They become anxious when they're not in contact with their partner, and can become clingy, jealous, or possessive.
- They tend to be *overly-sensitive*, overanalyzing interactions and reading too much into their partner's actions/moods.
- Once their attachment system is triggered, they find it hard to "turn it off" without proper reassurances. They tend to engage in *protest behaviors* like excessive calling, keeping score, hostility, threatening to leave, or manipulation (e.g. acting busy/distant or trying to make their partner jealous). Such bids to regain attention can damage the relationship.

KEY QUOTES

"Having a perpetually activated attachment system is the opposite of what nature had in mind for us in terms of gratifying love."

"Protest behavior and activating strategies can cause you to act in ways that are harmful to the relationship. It is very important to learn to recognize them when they happen."

Avoidant Attachment Style

Overview: Individuals with an avoidant attachment style ("avoidant individuals") value independence and often see intimacy as a threat to their freedom. They may be uncomfortable with closeness and tend to keep their partners at arm's length. Avoidants usually find it hard to express their emotions and may come off as distant or emotionally unavailable.

- When a partner seems too close, avoidants use *deactivating strategies* to create distance. They might:

  (i) Focus on their partners' flaws and overlook their positive qualities;

  (ii) Avoid discussing the relationship or committing to it;

  (iii) Suppress emotions and pull away when things get too intimate; and/or

  (iv) Flirt with others or pine for an ex.

"As an avoidant, you have a skewed perspective of the things that your partner says and does. The unnerving part is that you're almost entirely unconscious of these unconstructive thought patterns."

- To *justify their emotional distance*, avoidants tend to idealize a past partner, or believe there's a perfect partner out there who could meet their needs effortlessly.

  (i) This gives them an excuse not to invest fully in the present relationship.

  (ii) However, once they separate from a partner and distance themselves, they start to realize the positive qualities they had overlooked.

- Excessive self-reliance hampers their ability to connect or share intimacy, leading to *less connectedness, warmth, and satisfaction* in their relationships. They also tend to misinterpret their partner's attempts at closeness as clinginess, or perceive their partner's upsets as indifference.

People with an avoidant attachment style tend to demonstrate these traits and behaviors:

- *Prefer autonomy* and maintain emotional distance;
- *Avoid vulnerability*, emotional dependence, or deep conversations about their feelings or the future; and
- *Prioritize work, hobbies, or personal space* over relationships or closeness.

Part 3: Nurturing Secure, Fulfilling Relationships

To nurture happy, fulfilling relationships, it's crucial to understand both you and your partner's attachment styles, adapt your responses effectively, and move toward a more secure relationship.

Identifying Your Respective Attachment Styles

Identify the attachment styles for you and your partner, to better understand yourselves and manage your needs/responses, leading to happier and more fulfilling relationships.

Refer to the list of traits/behaviors in the previous section, focusing on 2 attachment dimensions:

KEY QUOTES

"As an avoidant, your mind is governed by overarching perceptions and beliefs about relationships that ensure a disconnect with your partner and get in the way of your happiness."

"One of the consequences of devaluing your romantic relationship is that you often wake up long after the relationship has gone stale, having forgotten all those negative things that annoyed you about your partner, wondering what went wrong and reminiscing longingly about your long-lost love."

- Consider these 2 key dimensions: *intimacy and anxiety*.

  (i) *Intimacy*: The extent to which you avoid intimacy and closeness; and

  (ii) *Anxiety*: The extent to which you're preoccupied with your relationship and your partner's love or attention.

*Adapted from Brennan, Clark, and Shaver's scale

- *Secure* (low avoidance, low anxiety): You are comfortable with expressing your needs and affection, trust others, and are not easily bothered by minor issues.

- *Anxious* (low avoidance, high anxiety): You become quickly attached to romantic partners, are sensitive to your partner's moods, often worry that your partner will lose interest, and fear that people won't like you once they know the real you.

- *Avoidant* (high avoidance, low anxiety): You prioritize independence, avoid sharing feelings, struggle to support your partner emotionally, prefer casual relationships, and often feel annoyed at your partner for no clear reason.

- *Anxious-Avoidant* (high avoidance, high anxiety): You are anxious about your partner's availability, yet uncomfortable with intimacy.

Approximately 50% of people are secure, 20% are anxious, 25% are avoidant, and 3-5% are anxious-avoidant.

Use these 5 Golden Rules to assess your partners' behaviors:

- Do they *seek intimacy or closeness?* If yes, they're likely to be anxious or secure. If no, they are likely to be avoidant.

- Are they sensitive to and *preoccupied with the relationship?* If yes, they are likely to be anxious.

- How do they respond *when you express your needs effectively?* Secures accommodate your needs, anxious partners become more intimate, while avoidants react negatively.

- Look at *multiple signs* to assess the overall pattern. Don't just rely on 1 behavior.

KEY QUOTES

"Understanding attachment will change the way you perceive new people you meet, but it will also give you surprising insight into your partner if you are already in a relationship."

"What goes unsaid or undone by your partner can be just as informative as what he or she is doing and saying. Trust your gut feeling."

"There is no one characteristic that can establish someone's style but rather a combination of behaviors and attitudes that together create a coherent pattern. It is the whole picture that tells the true story."

- Don't just pay attention to what they say/do. *Silence and inaction* also reveal a lot about their true feelings and attachment style.

Adopt Effective Strategies Based On Your Attachment Style

Remember: there's no such thing as a "good" or "bad" style. Your needs are valid, and they can be fulfilled with the right partner.

If you have an anxious attachment style, recognize that your needs for intimacy, availability, and security are valid. Learn to express those needs effectively, and find a partner who can meet them.

- *Don't follow popular dating advice* like playing hard to get or appearing distant. These don't reflect your true need for intimacy, and will only attract the wrong type of partner.

- Adopt the "*abundance philosophy*." Realize that there are many potential partners who can meet your needs. Take your time to date different people and find someone truly compatible.

  (i) Ideally, pick a secure partner who's more likely to prioritize your well-being and provide the secure base you need. They might seem boring initially, but they also offer the stability and consistency you crave in a relationship.

  (ii) Learn to spot avoidant partners who send mixed signals, constantly find faults with you, and disregard your feelings. Don't confuse drama with romance.

- Learn to *express your needs clearly*, rather than expect your partner to guess what you need/want. Don't overwhelm them with protest behaviors.

  (i) You're sensitive to your partner's emotional changes, but may misinterpret those emotions if you react too quickly.

  (ii) So, take a moment to reflect on your partner's perspective instead of making assumptions. Give your partner some space to respond in their own time.

If you have an avoidant attachment style, learn to balance your need for independence with connectedness.

KEY QUOTES

"By being someone you're not, you're allowing another to be with you on his or her own terms and come and go as s/he pleases."

"The more you meet, the greater the chances you'll find the one who is a good match for you."

"Many people who live with insecure partners cannot even begin to imagine how fundamentally different life with a secure person can be."

"The beauty of effective communication is that it allows you to turn a supposed weakness into an asset."

- *Express your needs* for personal space and autonomy, but remember that extreme self-reliance can lead to loneliness and less satisfying relationships.

- *Mutual support* leads to more fulfilling connections. When both partners feel secure, there's also less need for distance or clinginess.

- Ideally, choose a *secure partner* who can respect your need for personal space while gently encouraging emotional closeness.

- *Recognize your deactivating strategies*. For example, if you find yourself idealizing an ex, remind yourself why that relationship wasn't right. Stop searching for the "perfect partner" who will meet all your ideals.

- Instead of fixating on your partner's flaws or imperfections, *focus on positive aspects* of your partner and relationship.

  (i) Make a daily list of things you appreciate about your partner.

  (ii) Trust that your partner has your best interests at heart.

- Use *shared activities* to connect without feeling overwhelmed. Activities like hiking, cooking, or watching movies together some distractions to help you feel closer without the pressure of direct emotional intimacy.

If you have a **secure attachment style**, you can probably sustain satisfying relationships with people of any attachment style. You can even help anxious or avoidant partners to become more secure over time by providing consistent support and comfort.

- Seek to *create a "secure base"* for your partner. This helps anxious partners to feel reassured and encourages avoidant partners to open up gradually.

- However, beware of *staying too long in an unhealthy relationship* due to your forgiving nature and sense of duty.

  (i) Feelings of anxiety, jealousy, or avoidance are all signs that your secure foundation has been shaken.

  (ii) If unhappiness persists despite your best efforts to address the issues, it's often better to end the relationship.

KEY QUOTES

"If we overrate self-reliance, we diminish the importance of getting support from other people, thus cutting ourselves off from an important lifeline."

"The more attuned you are to your partner's needs at the early stages—and he or she to yours—the less energy you will need to expend attending to him or her later."

"If you want to take the road to independence and happiness, first find the right person to depend on and travel down it with them."

"If you're with someone secure, they nurture you into a more secure stance."

"Just because you can get along with anyone doesn't mean you have to."

Adapting To Your Partner's Attachment Style

If you're still unattached, choose a partner with a secure style. If you're already in a relationship with an anxious or avoidant partner, then adapt to your partner's style to improve the relationship dynamics.

If your partner has an anxious style:

- *Check-in regularly* and consistently to give them the assurance and attention they crave. This could be as simple as verbal affirmations or simple text messages to let them know you're thinking of them.
- Be more *open and honest* in your communications, expressing your feelings and intentions clearly to avoid misunderstandings.

If your partner has an avoidant style:

- Respect their need for *space and time alone*; don't take it personally, and don't rush intimacy or emotional closeness.
- Use *straightforward language* to help them understand your needs and feelings without feeling pressured.
- Regularly *highlight positive aspects* of your relationship and shared experiences.

Navigating the Anxious-Avoidant Trap

The worst conflicts often occur when one partner is anxious and the other is avoidant. The anxious partner needs closeness and reassurance, which conflicts with the avoidant partner's need for distance and autonomy. This creates an anxious-avoidant trap.

- Such *conflicting intimacy needs* lead to misunderstandings, frustrations and dissatisfaction on both sides.

  (i) The closer the anxious partner gets and the needier they seem, the more the avoidant partner withdraws or responds with hostility, making the anxious partner feel rejected and undervalued.

KEY QUOTES

"The trick is not to get hooked on the highs and lows and mistake an activated attachment system for passion or love. Don't let emotional unavailability turn you on."

"True love, in the evolutionary sense, means peace of mind. "Still waters run deep" is a good way of characterizing it."

"All happiness or unhappiness solely depends upon the quality of the object to which we are attached by love."
—Baruch Spinoza

"When the two people in a couple have colliding intimacy needs, their relationship is likely to become more of a storm-tossed voyage than a safe haven."

(ii) The tension builds up, leading to frequent fights over seemingly-trivial issues. Both sides experience an emotional roller-coaster of intense highs and lows.

- There's also *emotional counterbalancing* at play, as avoidants inflate their self-esteem and independence by comparing themselves to their dependent, anxious partners.

Strategies to improve the relationship.

- Create a relationship inventory to understand how your attachment style affects your relationships, so you can *work towards a more secure style*.

(i) List down the names of your past and present romantic partners to identify wider patterns.

(ii) What are the key memories and characteristics that stand out for each relationship?

(iii) What were the specific situations that triggered your need for closeness (if you're anxious) or your need for distance (if you're avoidant)?

(iv) What were your specific thoughts, actions, and feelings in response to these situations?

(v) What underlying patterns, insecurities, or attachment issues can you identify?

(vi) How did these attachment-driven reactions impact your happiness and relationship satisfaction?

(vii) Who are the secure role models you can learn from (e.g. a family member who can express their feelings calmly and constructively)? Focus on specific beliefs, attitudes, behaviors or traits you can emulate.

- Review your relationship inventory with a *primary attachment figure* or someone you trust for emotional support (e.g. a family member or therapist).

- With clarity and awareness, you can *communicate your needs more clearly*, without attacking or blaming your partner.

- *Establish clear boundaries* (e.g. acceptable levels of closeness and independence) to manage expectations and reduce overwhelm. For example:

KEY QUOTES

"Attachment styles are stable but plastic. This means that they tend to stay consistent over time, but they can also change."

"As a person's attachment style gradually changes toward greater security, he or she behaves more constructively in relationships and even enjoys better mental and physical health. And if both partners are able to do so—the results can be remarkable."

(i) Instead of bombarding your partner with texts, you might agree on 2 simple check-ins daily so you can feel reassured without overwhelming your partner.

(ii) If you feel suffocated with too much 1-1 time, try agreeing on specific times in the week when you can engage in shared activities, e.g. taking walks or watching a movie.

Intimacy clashes are rarely resolved. Even if the relationship lasts a long time, it remains unstable. Couples stuck in the anxious-avoidant trap may experience **chronic dissatisfaction** that damages their mental-emotional health and spills over to other aspects of life e.g. sleeping habits or parenting.

- If necessary, *seek professional help*.
- You can choose to *compromise* by adjusting your expectations, but this often leads to lower relationship satisfaction.
- If things don't improve despite your best efforts, it might be better to *end the relationship*, especially if you're in a new or uncommitted relationship.

Even if you know you should **end the relationship**, you might find it hard to do so.

- A breakup is painful, and it's common to experience a "*rebound*" as you crave comfort from your ex to soothe the emotional pain. Positive memories may also overshadow the negatives, strengthening the emotional pull toward your ex.
- Here are some *strategies to survive a breakup*:

(i) Build a support network of family and friends who can offer emotional support and soothe your attachment needs straight after a breakup. Try staying temporarily with someone you trust, to reduce feelings of loneliness.

(ii) Write down all the reasons why you left the relationship. When you feel the urge to revive the relationship, ask your friends/family to remind you of those reasons.

(iii) Be kind to yourself if you slip and rebound. Acknowledge your pain, and trust that it will eventually pass, and you can move on to a healthier relationship.

KEY QUOTES

"Our memories are not like old books in the library, lying there dusty and unchanged; they are rather like a living, breathing entity. What we remember today of our past is in fact a product of editing and reshaping that occurs over the years whenever we recall that particular memory."

"You may understand rationally that you should leave, but your emotional brain may not yet be ready to make that move."

"The fact that one person can take away all our discomfort in a split second makes it very hard to resist the temptation to see him or her again."

"The worse you feel about yourself, the more you'll want to go back to the false safety of the bad relationship you were in."

Improving Communications for Relationship Success

Effective communication helps you to (i) choose the right partner who can meet your needs and (ii) ensure those needs are met.

Here are several important communication principles:

- Be *honest, authentic, and unapologetic* about your needs and feelings, recognizing that your attachment needs are key to your happiness.

- Use phrases like "need," "feel," and "want" to *express your needs clearly without blaming* your partner. For example: "I love you very much. I need to know that you're there for me all the time. And I need to be able to talk to you daily, not just when it's convenient for you. I don't want to hide my desire to be close to you, for fear of driving you away."

- *Be specific* about what's bothering you, e.g. "I feel disconnected and anxious when I don't hear from you daily."

If necessary, draft a script in advance. This helps you to reflect on what specifically what makes you uneasy, and what you need to feel more secure. Seek help from someone with a secure attachment style, and rehearse your message until you're confident.

- *Example*: Let's imagine your partner frequently cancels plans last minute, making you feel like an afterthought.

  (i) It's *ineffective* to give them the silent treatment to show your displeasure, hoping they'll figure out why you're upset.

  (ii) It's more *effective* to address it directly, e.g. "It's disappointing when our plans are canceled last minute. I look forward to our time together, and I need to know that you prioritize spending time with me. Can we find a way to make our plans more consistent?"

KEY QUOTES

"Your date's response to effective communication can reveal more in five minutes than you could learn in months of dating without this kind of discourse."

"Ineffective communication can be interpreted in different ways while effective communication has only one specific meaning."

"Worries and fears surface more when you are not communicating your concerns and are letting things build up."

"When it comes to attachment style, we're malleable. And it's never too late to learn new relationship skills."

Resolving Everyday Conflicts in a Secure Way

All couples, even secure ones, experience conflicts. However, their impact depends on the type of issues involved, and how the conflict is handled.

- Unlike intimacy conflicts (which are more challenging), *bread-and-butter conflicts* involve everyday issues like choosing what to do or eat. Handled properly, they can help couples to consider each other's perspectives and bring them closer together.

Use these learnable principles for conflict resolution:

- To resolve conflicts constructively, always assume the best in your partner and *show concern* for their well-being. Recognize that their happiness and well-being are interconnected with yours.
- *Focus on the problem at hand*. Do not (i) launch into personal attacks, or (ii) generalize and let the issue spill over into other areas of the relationship.
- *Stay present*—both physically and emotionally—to show that you're willing to resolve the issue together.
- *Clearly articulate your needs and feelings*. Don't expect your partner to guess them.

Our brain releases oxytocin—a hormone that strengthens bonds—during orgasm or when we cuddle. Prioritize quality time for healthy boosts of oxytocin to minimize the occurrence of conflicts.

Conclusion and Other Details in the Book

Regardless of your current attachment style, you can learn to adopt a secure communication style for healthier, more fulfilling connections.

Beyond the concepts in this summary, the book offers many other tools to help you apply the insights in your life, such as: real-life examples of couples who have overcome relationship

KEY QUOTES

"What does differentiate between couples and affect their satisfaction levels in their relationships is not how much they disagree, but how they disagree and what they disagree about."

"We often view conflict as a zero-sum game...attachment theory shows us that our happiness is actually dependent on our mate's and vice versa."

"When there's a willingness to resolve a specific problem, people feel that they're being heard and it brings both parties closer together."

"The first step toward applying attachment theory to your life is to get to know yourself and those around you from an attachment perspective."

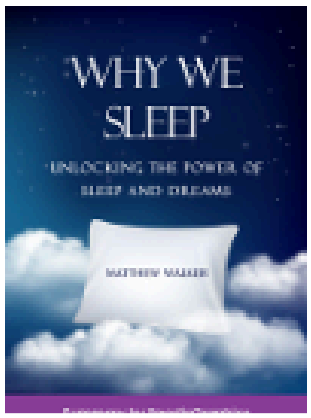
challenges, interactive exercises to explore your own attachment style, and a detailed questionnaire to identify your attachment type. For more information, visit www.attachedthebook.com.

About the Author

Amir Levine, M.D. is a psychiatrist, neuroscientist, and associate professor of psychiatry and director of the SecureLab at Columbia University. He specializes in attachment-based treatments and supervises therapists globally. He also has a private practice where he consults with individuals, couples, and families. His research and clinical work have significantly contributed to the development of adult attachment theory, especially how different attachment styles affect romantic relationships.

Rachel S. F. Heller, M.A. is a supervising psychologist with a master's degree from Columbia University. She integrates attachment-based principles with cognitive behavioral therapy and other approaches in both her public sector work and private practice to help individuals improve interpersonal relationships.

KEY QUOTES



WHY WE SLEEP

Unlocking the Power of Sleep and Dreams

MATTHEW WALKER, PHD

The Big "So What"

All living creatures need sleep. The question is: *why*? In this book, neuroscientist and sleep expert Prof Matthew Walker presents groundbreaking discoveries about sleep and how it affects all aspects of our physical, mental and emotional health, including our longevity.

In this summary, we'll present the key findings in 3 parts: (i) What is sleep, (ii) Why you should sleep, and (iii) Improving your sleep.

What is Sleep?

Sleep Architecture

Every night, your brain switches between 2 types of sleep:

Non-rapid eye movement (NREM) sleep is characterized by deep, slow brainwaves that're 10x slower than when you're awake.

- The thalamus is the sensory gatekeeper that decides if sensory signals are allowed to your brain's cortex to become a conscious perception. During deep NREM sleep, this gate is closed, resulting in a *sensory blackout*. This allows your cortex to relax.

- Your entire brain is now fully aligned to distill and transfer selected memories from your short-term memory (in your frontal lobes) to your long-term memory (at the back of your brain). The *slow, deep-sleep brainwaves* are like couriers sending info packets within your brain.

KEY QUOTES

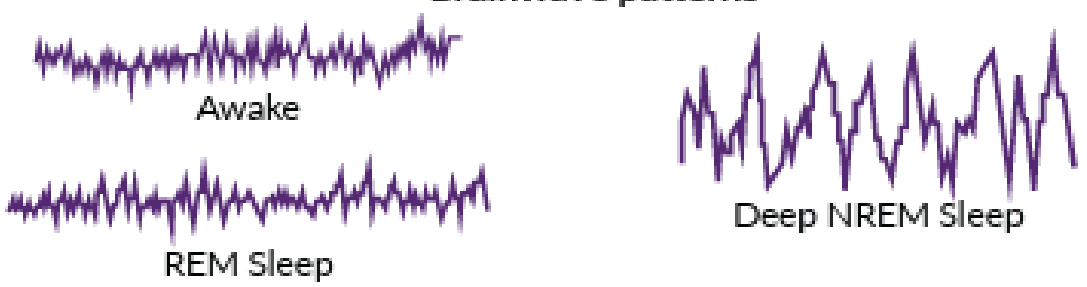
"Sleep is the single most effective thing we can do to reset our brain and body health each day—Mother Nature's best effort yet at contra-death."

"What you are actually experiencing during deep NREM sleep is one of the most epic displays of neural collaboration that we know of. Through an astonishing act of self-organization, many thousands of brain cells have all decided to unite and 'sing' or fire, in time."

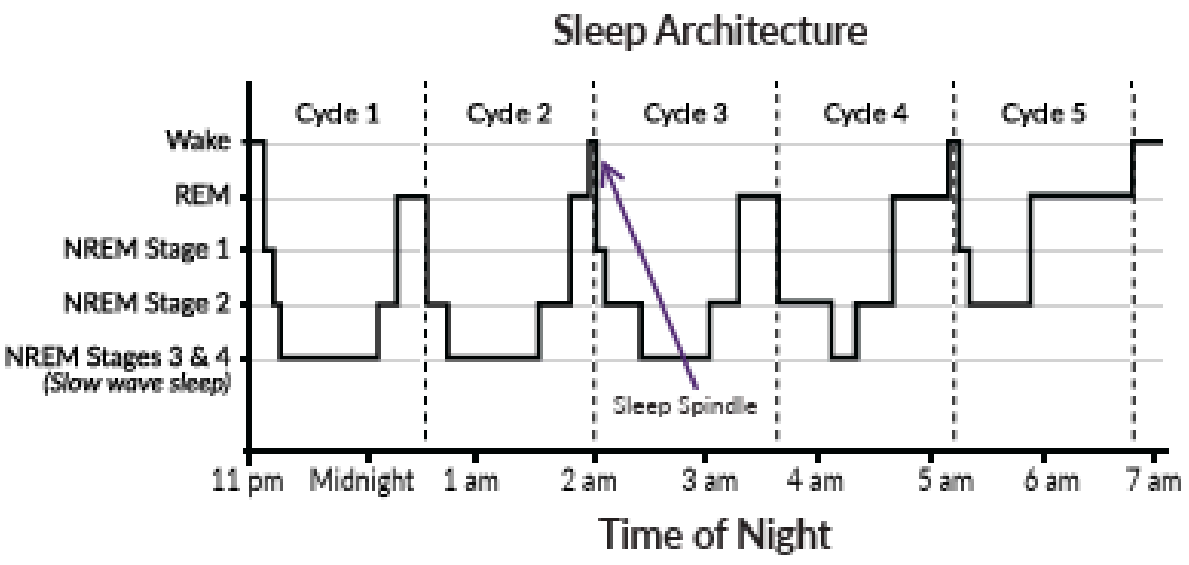
Rapid eye movement (REM) sleep is characterized by faster brainwave activity that's similar to when you're awake. Your body is still resting, but your thalamus is now open to *internal* sensory inputs (rather than external ones). When you dream, your brain basically combines pockets of feelings, info, memories, motivations etc. into a giant movie screen, and your eyes may move rapidly as you dream. However, your voluntary muscles are deactivated (muscle atonia) to protect you from acting out your dreams unconsciously. Your sense of time seems dilated, i.e. you may feel like an hour has passed when it's only been 10 mins.

When we're awake, we constantly receive new sensory inputs from the external environment. NREM sleep reinforces and stores those raw data and skills. REM sleep integrates these ingredients by connecting them with one another *and* with our past experiences and knowledge, to improve our mental model of how the world works, develop new insights and solve problems innovatively.

Brainwave patterns



A typical night's sleep happens in recurring 90-minute NREM and REM cycles. When you fall asleep, you'll first enter light NREM sleep (stages 1-2), then deeper NREM sleep (stages 3-4). As the night progresses, a greater fraction of each cycle is spent in REM sleep, with the last part being richest in REM sleep.



KEY QUOTES

- Occasionally, you'll have a *sleep spindle*—a burst of brain-wave activity—which usually comes at the end of a slow wave before you enter REM sleep. The spindles block off external noises, so people with more/stronger spindles sleep more soundly.

- NREM and REM serve *different but equally-vital functions*. When you don't get full 8 hours of sleep, you lose out on chunks of NREM or REM sleep with serious repercussions (which we'll explain later).

Understanding Your Sleep Rhythm

Your wakefulness and need for sleep are regulated by 2 key factors.

The Circadian Rhythm is your internal body clock that runs in an approximate 24-hour cycle.

- It's regulated by melatonin, which is produced by the *suprachiasmatic nucleus* in the brain, which calibrates your body clock using the amount of light.

- *Melatonin* is typically released into your bloodstream from dusk to tell your body to prepare to sleep. The amount is slowly reduced through the night, until sunlight at dawn tells your brain to stop melatonin release. Besides daylight, other reliably recurring signals (e.g. temperature change, social interactions) can also be used to reset our biological clock.

- Every human has a *different internal rhythm*, i.e. we feel most awake at different times of the day due to our genes. Some feel energized in the mornings (the morning larks) while others are most functional at night (the night owls). Unfortunately, our society favors daytime work—night owls may be misunderstood as lazy and end up burning the midnight oil to catch up on their unproductive workday.

Adenosine is a chemical that makes you sleepy.

- It builds up progressively when you're awake; most people will feel "*sleep pressure*" after being awake for 12-18 hours. It decreases as you sleep and is usually purged fully after 8 hours of sleep.

KEY QUOTES

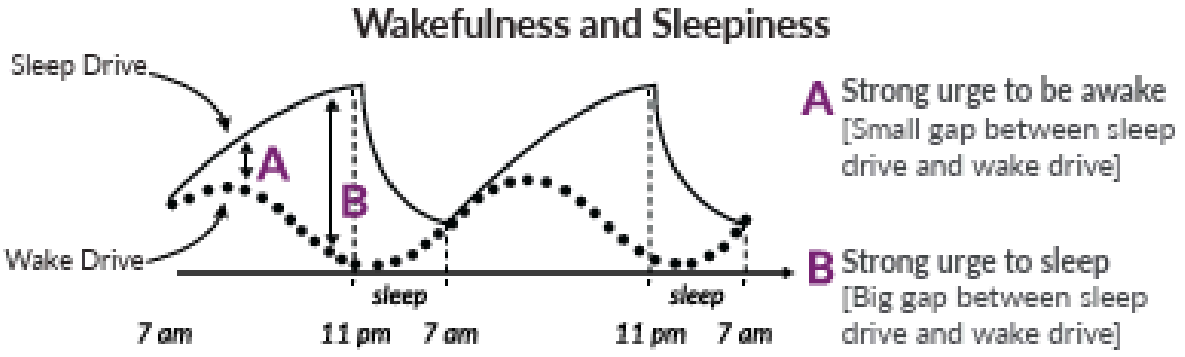
"When it comes to sleep, there is no such thing as burning the candle at both ends—or even at one end—and getting away with it."

"Wakefulness and sleep are...under the control of the circadian rhythm, and not the other way around."

"We require more supple work schedules that better adapt to all chronotypes, and not just one in its extreme."

- *Caffeine* can dull the effects of Adenosine, but doesn't stop the chemical from building up in your body. So, you may feel worse once the effect of caffeine wears off. If you then consume more caffeine to counter the fatigue, a dependency cycle is created. Caffeine taken in the evening can disrupt sleep since 50% of caffeine will still be in your system 5-7 hours later. Caffeine is found in coffee, teas, energy drinks, dark chocolate and certain drugs. Even decaffeinated coffee usually contains 15-30% of caffeine in regular coffee.

The 2 mechanisms above operate independently, with the circadian cycle powering your "wake drive" and adenosine powering your "sleep drive". The combined effects mean that after a proper night's rest, you'll feel wide awake at noon since there's only a small gap between the 2 drives. At 11pm, you'll feel an urge to sleep since there's now a huge gap between the 2 drives.



You're probably not getting enough quality sleep if: (i) you can fall asleep a few hours after waking up (e.g. at 10-11am), (ii) you can't function optimally without caffeine before noon, (iii) you can't wake up naturally at the time you set your alarm, and/or (iv) you keep rereading something because you can't focus.

Who Sleeps and How?

Every animal species sleeps, including worms, insects, fish, reptiles, amphibians, mammals and humans.

- All species have NREM sleep, but many don't seem to have REM sleep (e.g. insects, fish, amphibians and most reptiles). Only birds and mammals—which are newer on the evolutionary timeline—have full-blown REM sleep. Compared to other animals, humans need much less sleep, and we have a disproportionately high amount of REM sleep. Walker theorizes that humans have evolved with *fewer hours of more efficient/intensive sleep*.

KEY QUOTES

"Without exception, every animal species studied to date sleeps, or engages in something remarkably like it...Sleep is universal."

"Regardless of the amount of recovery opportunity, the brain never comes close to getting back all the sleep it has lost."

- There's no way to fully recover from lost-sleep. When you're *recovering from sleep-deprivation*, your body tends to prioritize NREM over REM recovery. However, once you've recovered on your NREM, the proportion of REM sleep will increase.

Today, most humans are not sleeping adequately nor optimally. In most modern societies, people usually sleep in a monophasic pattern, with 1 stretch of only <7hrs a night. Generally, an adult human needs *8 hours of sleep*. In societies without electricity (e.g. hunter-gatherer tribes), people sleep in a *biphasic pattern*, with a stretch of 7-8 hrs at night (2-3 hrs after sunset till dawn) *plus* a 30-60 minute mid-afternoon nap (to address the natural dip in alertness). Some modern cultures still observe siestas, and people who kept Greek siestas were found to have a 37% lower risk of death from heart disease compared to those who didn't.

Our sleep hours and patterns change across our lifespan:

- *Babies*. Mammals' brain construction is done most heavily during REM sleep, which is why infants sleep so much. Newborn rats that were denied REM sleep suffered retarded gestational progress. Since alcohol is a strong suppressor of REM sleep, infants whose mothers drink heavily have much lower levels of vibrant brain activity compared to those whose mothers don't drink.

- Infants and young *children* have polyphasic sleep, i.e. they sleep for many short periods throughout the day. As their suprachiasmatic nuclei develop and gain a rhythm, they shift to a daily rhythm, then a biphasic pattern and a finally a monophasic sleep pattern by late childhood. As a child grows up, total sleep time drops and the proportion of REM-to-NREM sleep decreases.

- During late childhood and *adolescence*, cognitive and critical thinking skills are honed during deep NREM sleep to affect maturity and rationality. Teens have a later circadian cycle, preferring to stay up later and wake later. Asking them to sleep at 10pm is like asking adults to sleep at 7-8pm. Unfortunately, sleeping late and waking early for school mean that our teens are sleeping much less than they would naturally.

KEY QUOTES

"Humans are not sleeping the way nature intended. The number of sleep bouts, the duration of sleep, and when sleep occurs have all been comprehensively distorted by modernity."

"REM sleep is not optional during early human life, but obligatory."

"An infant brain without sleep will be a brain ever underconstructed."

"Deep sleep may be a driving force of brain maturation, not the other way around."

- *Mid-life and old-age*. It's not true that the elderly need less sleep. Most seniors are actually sleep-deprived due to 3 factors:

  (i) They have less *quantity/quality* of deep NREM sleep. NREM brainwaves start to become smaller and fewer from our late 20s. By 70 years old, we'd have lost 80-90% of the deep REM sleep we enjoyed as a teen.

  (ii) They *sleep less efficiently* since they wake up more frequently at night (due to illnesses, a weaker bladder etc.).

  (iii) They develop an *earlier circadian rhythm*. Instead of sleeping early, they may take an evening nap which disrupts their night sleep, then wake up pre-dawn due to their cycle. Seniors can try using Melatonin to sleep better, and push their circadian rhythm back by getting bright-light exposure in the late afternoon instead of mornings.

KEY QUOTES

"That older adults simply need less sleep is a myth."

Why You Should Sleep

Sleep is the ultimate therapy and enhancer to provide a range of benefits that medicine and other interventions cannot.

"There is much that sleep can do that we in medicine currently cannot."

Sleep Benefits the Brain

Sleep is essential to our brain and delivers 3 main cognitive benefits.

Sleep improves memory. The hippocampus in our brain stores short-term memory and has a limited capacity, while the cortex stores long-term memory with a larger capacity. In NREM sleep:

"Sleep has proven itself time and again as a memory aid: both before learning, to prepare your brain for initially making new memories, and after learning, to cement those memories and prevent forgetting."

- *Short-term memory is transferred to the cortex*, helping to (i) free up space so we can absorb new info and (ii) save useful info for the long term. In fact, after sleeping, you may recall something you previously forgot.

- You *discard useless memories* to make space for those worth remembering. You can use *targeted memory reactivation* to lock in vital info: before going to bed, review what you've

learned and mentally "tag" those you'd like to remember or improve, then leave the rest to your brain.

Sleep improves motor task proficiency. Once you learn to ride a bike, you won't forget it—that's "muscle memory" at work, though the memory resides in your brain (not your muscles). You may struggle with a motor task (e.g. playing a difficult piano sequence), but can suddenly do it flawlessly after sleeping. That's because during sleep, your brain continues to practice the motor skills and work out the kinks. Sleep spindles are associated with better memory effects (including motor memories) and are most concentrated in the last cycle of deep NREM sleep. This means that when you wake up early, you're actually losing valuable sleep hours.

Sleep improves creativity. REM sleep connects your different memories, experiences and skills to create new ideas and insights.

Sleep-deprivation Harms the Brain

A lack of sleep causes brain impairment, with repercussions for all aspects of your mental and physical health.

Sleep-deprivation worsens focus/concentration.

- After being awake for 19hrs, you're as *cognitively impaired* as someone who's legally drunk. After 10 days with 7hrs of sleep, your brain is as dysfunctional as someone who's been awake for 24hrs. Only a rare 1% of the population is genetically-enabled to survive on 6hrs of sleep with minimal impairment. Power naps can help defer fatigue if sleep-deprivation hasn't sunk in, but they can't replace regular sleep.

- When you're tired, you may also fall into *microsleep*, i.e. the brain shuts down momentarily and you lose all awareness for 1-2 sec. This can be fatal if you're engaged in risky activities like driving. In the US, the number of traffic accidents from fatigue-related errors are higher than those from alcohol and drugs combined.

- Even if you sleep for 3 full nights, you can't recover from a week of sleep-deprivation. Yet, we're *unaware of the effects*

KEY QUOTES

"Your brain will continue to improve skill memories in the absence of any further practice".

"Sleep provides a nighttime theater in which your brain tests out and builds connections between vast stores of information."

"No facet of the human body is spared the crippling, noxious harm of sleep loss."

"The human mind cannot accurately sense how sleep-deprived it is when sleep-deprived."

of sleep-debt since we get used our worsening performance levels.

Sleep-deprivation worsens emotional control. When we lack sleep, the amygdala (our brain's emotional center) becomes more active and overpowers the prefrontal cortex (the brain's logical center). We swing between extreme negative moods (linked to aggression and bullying) and extreme positive moods (linked to risk-taking and addiction).

Sleep-deprivation impairs memory since (i) the hippocampus seems to shut down without enough sleep, and (ii) it can cause lasting damage to our DNA and learning-related genes.

Sleep-deprivation plays a role in mental illnesses. By worsening mood swings, it can reinforce *psychiatric conditions* (and vice versa) in a vicious cycle. Sleep-loss is also correlated with *Alzheimer's Disease*. During NREM sleep, the glymphatic system flushes out toxins from the brain (including those responsible for Alzheimer's). A lack of sleep could create a buildup of toxins, which in turn disrupts NREM sleep in a vicious cycle.

Sleep-deprivation Harms the Body

Sleep-deprivation damages every aspect of our physiology and is linked to a host of diseases (e.g. cancer, heart diseases) and a shorter lifespan.

Cardiovascular System. Insufficient sleep is widely linked to an *overactive sympathetic nervous system*, i.e. the body is in a stressful fight-or-flight state. This leads to (i) increased heart rates, blood pressure, levels of cortisol (a stress hormone) and atherosclerosis, and (ii) decreased HDL (good cholesterol) and growth hormone (to repair blood vessels). The opposite happens during deep NREM sleep—the body relaxes while heart rate and blood pressure falls. A lack of sleep is associated with a 45% increase in the risk of developing and/or dying from coronary heart disease in the next 25 years. Just sleeping 1-2 hours less for 1 night can increase heart rate and systolic blood pressure.

Insufficient sleep leads to weight gain, since (i) you're likely to eat more and (ii) your body can't handle the calories as

KEY QUOTES

"The under-slept brain swings excessively to both extremes of emotional valence, positive and negative."

"Sleep is not like the bank. You cannot accumulate a debt and hope to pay it off at a later point in time."

"Sleep is...the foundation on which the other two health bastions [diet and exercise] sit. Take away the bedrock of sleep, or weaken it just a little, and careful eating or physical exercise become less than effective."

"Unhealthy sleep, unhealthy heart. Simple and true."

effectively. Chronic sleep deprivation is a key contributor to type 2 diabetes.

- When you lack sleep, you *eat excessively* due to an increase in chemicals that signal hunger and carbohydrates-craving, and a decrease in chemicals that signal that you're full.

- You also *feel lethargic* and are less likely to exercise. Even if you lose weight, sleep-deprived people tend to *lose lean body mass* (vs those with enough sleep tend to lose more fat).

Reproductive System. Sleep-deprived males have 29% lower sperm count, smaller testicles, and decreased testosterone (which in turn affect libido, bone density and muscle mass). Sleep-deprived females have 20% lower follicular-releasing hormone (required for conception), more infertility issues, and higher risks of miscarriages. After just 1 night of sleep shortage, participants' face in a study were rated less attractive.

There's a clear correlation between sleep and immunity.

- Sleep is vital in the *prevention and fight against cancer*. When we sleep, our immunity system releases "killer cells" to remove bad foreign elements in our bodies. After just 1 night of sleep loss, you can lose 70% of your killer cells. Regularly sleeping ≤6 hours a night increases your risk of developing cancer by 40% compared to those who sleep ≥7 hours.

- Sleep-deprivation also increases the risks of *cancer inflammation*. Lab rats were injected with malignant cells and split into 2 groups (with normal vs insufficient sleep). The sleep-deprived rats had (i) faster and bigger cancer growth, and (ii) more aggressive cancer cells that metastasized or spread to other organs.

Genes and DNA. Every cell in our body contains DNA that defines who we are and tells our body what to do. Reducing sleep for just 1 night can reduce the *genetic activity* for healthy men and women. Chronic sleep-loss can even *change our genetic structure*. Telomeres are found at the end of your DNA chromosomes (like the tip of your shoelaces). The more sleep-deprived you are, the more damaged your telomeres become to increase the risks of changing your genetic makeup.

KEY QUOTES

"Inadequate sleep is the perfect recipe for obesity: greater calorie intake, lower calorie expenditure."

"Chronic sleep loss will erode the very essence of biological life itself: your genetic code and the structures that encapsulate it."

Benefits of Dreaming

Neuroscience has shed light on how, what and why we dream. Using MRI scans, scientists can now predict what you're dreaming. Dreams offer real benefits for our survival and well-being.

Dreams reduce the pain from traumatic events. Dreams capture 35-55% of the emotional concerns and themes from our waking lives. Deep REM sleep is the *only* time when the stress-related chemical noradrenaline is totally absent from your brain. This allows you to process painful memories without being crippled by the visceral feelings. However, this *only* works if you dream about the emotional themes associated with the trauma; REM sleep or dreams about unrelated themes won't help you to move past your trauma.

Dreams help us to decode facial expressions, which are one of the most important external cues to help us discern friend from foe, and help us to interact effectively with others. People with a full night's sleep were able to accurately decipher others' emotions based on their facial expressions. The same people, when deprived of sleep, were less able to do so and tended to see others as hostile or aggressive.

Dreams improve problem-solving and creativity. During deep NREM sleep, brain activity drops. But once we enter REM sleep and start dreaming, the visual, motor, memory and emotional centers of our brain are activated while the prefrontal cortex and logical centers are switched off.

- This means that in your dreams, your brain fuses past and present knowledge and experiences in creative/abstract ways, *without the limits of logical filters*. Your dreaming brain can apply an idea to your entire storage bank and make novel connections that your waking brain can't conceive.

- For example, after years of seeking a way to organize the world's elements, Dmitri Mendeleev literally dreamt up the solution in 1869. In his dream, he saw how all the elements fell neatly into a table. His dreaming mind could integrate his years of research into the *period table of elements* which we now use—something his waking mind couldn't.

KEY QUOTES

"It was not...time...that healed all wounds, but instead it was time spent in dream sleep that was providing emotional convalescence."

"REM-sleep dreaming is informational alchemy."

"Our human memories are...richly interconnected in webs of associations that lead to flexible, predictive powers."

Sleep Disorders and Death

Sleep disorders can disrupt our lifestyle and well-being.

Somnambulism refers to sleep disorders that involve movement, including sleepwalking, sleep talking etc. This happens during NREM sleep (*not* REM sleep), when spikes in electric pulses in the nervous system cause the person to be stuck between sleep and wakefulness. Sleepwalkers often perform familiar routines unconsciously (e.g. brushing their teeth, drinking water).

Insomnia. Unlike sleep deprivation (where the person is capable of sleep but doesn't get enough opportunity to sleep), insomniacs set aside enough time (7-9 hours) for sleep, but have difficulty falling asleep and/or staying asleep for more than 3 months. The most common causes of insomnia are emotional concerns or distress, which are linked to an overactive sympathetic nervous system that keeps the brain overly-active. Even when asleep, insomniacs have shallower deep NREM brainwaves and more fragmented REM sleep.

Narcolepsy comes with 3 key symptoms: (i) extreme sleepiness in the day (e.g. irresistible urges to sleep), (ii) sleep paralysis (i.e. loss of the ability to move/talk when you wake up), and (iii) cataplexy (sudden loss of muscle control e.g. face sagging or limb muscles going limp). Narcoleptic patients are stuck between sleep and wakefulness because they lose the bulk of the brain cells that produce orexin, the chemical that signals wakefulness.

At the extreme, sleep deprivation can cause death. In experiments, sleep-deprived rats died after 15 days without any sleep/REM sleep, or after 45 days without NREM sleep. Notably, the sleep-deprived rats (i) lost body mass, (ii) couldn't regulate their body temperature, and (iii) had damaged immune systems resulting in skin infections and internal damage (e.g. hemorrhaging, stomach ulcers). Death from sleep deprivation is uncommon in humans, though patients with fatal familial insomnia (a rare inherited condition) degenerate and die within 10 months after they lose all ability to sleep.

KEY QUOTES

"Simply put, the insomnia patients could not disengage from a pattern of altering, worrisome, ruminative brain activity."

"The shorter your sleep, the shorter your life span…The elastic band of sleep deprivation can stretch only so far before it snaps."

Improving Sleep Quality & Quantity

On average, half of all adults in developed countries aren't getting the recommended hours of sleep. We can systematically improve our sleep quality and quantity at individual, educational, organizational, public and societal levels.

Individual Lifestyle and Sleep Habits

We can address key barriers to sleep and improve our sleep hygiene.

Light. Modern electric light disrupts our circadian rhythm by delaying the release of melatonin by an average of 2-3 hours in the evenings. Any light can disrupt your circadian rhythm, but blue LED lights—including those from computer and smartphone screens—have the worst impact. To improve sleep quantity/quality:

- Dim the lights in the rooms where you spend your evenings
- Use blackout curtains to keep your bedroom completely dark
- Use software to decrease blue LED lights from electronic devices

Besides natural light, the body uses the dip in nighttime temperature as a signal to prepare for bed. However, air-con, heaters and blankets mask such natural temperature fluctuations. Generally, it's easier to fall sleep in a cold room than a warm one—the ideal temperature for sleep is around 65°F or 18.3°C. You can reduce your core body temperature by ejecting heat via your hands, feet and head, thus facilitate sleep:

- Take a hot bath or warm your hands/feet, to draw heat to the skin surface and reduce core body temperature;
- Splash water on your face using your hands; and/or
- Stick your hands/feet outside the blankets or wear a cooling body suit.

KEY QUOTES

"What, precisely, about modernity has so perverted our otherwise instinctual sleep patterns, eroded our freedom to sleep, and thwarted our ability to do so soundly across the night?"

Caffeine. Earlier, we've explained the effects of caffeine. Avoid consuming caffeine from late afternoon.

Alcohol does *not* help you to sleep better. It's a sedative that blocks the brain's neurons from firing properly, thus suppressing REM sleep and causing us to wake up throughout the night. Alcohol disrupts sleep and harms our memory and learning abilities. The body takes several hours to breakdown and discharge alcohol, so it's best to abstain from alcohol.

In modern societies, most people force themselves to wake up using alarms. This actually creates stressful spikes in heart rates, cortisol and blood pressure levels. Ideally, you should wake up naturally at the same time daily, without alarms. If you must use an alarm, then wake up once it goes off; don't put yourself through a series of stresses by using the snooze function.

Regular exercise helps to improve the quality/quantity of sleep, which in turn improves your fitness and energy levels. However, avoid exercising 2-3 hours before bed as it increases core body temperature to make it harder to fall asleep.

Eat a normal diet and don't go to bed feeling too full/hungry. Sleep is generally disrupted if you consume too few calories (<800) or too much carbohydrates (>70% of all energy intake).

Avoid sleeping pills since they're sedatives that affect your brain in the same way as alcohol. Such drug-induced sleep lacks the deep brainwaves found in healthy sleep, resulting in next-day grogginess.

- In fact, people who use prescription sleep medications are much more likely to die and to develop cancer than those who don't. They're also linked with higher rates of stroke/heart *disease, infections and accidents*.

- Until scientists discover a drug that can induce natural sleep without harmful side effects, Walker recommends *sleep therapy* such as the Cognitive Behavioral Therapy. These involve good lifestyle habits and sleep hygiene, such as (i) adopting a consistent daily sleep cycle, (ii) reducing bedroom temperature, noise/light levels, (iii) avoiding alcohol, caffeine, naps and exercise just before sleep, and (iv) avoiding heavy mental activities or anxiety-provoking thoughts before bed.

KEY QUOTES

"Alcohol sedates you out of wakefulness, but it does not induce natural sleep."

"Sleep and physical exertion have a bidirectional relationship."

"No past or current sleeping medications on the legal (or illegal) market induce natural sleep."

Ideas for the future. We can use technology to detect/prevent sleep-deprived driving, design intelligent household lights that match our circadian rhythms, or use body trackers to identify how sleep correlates with our activity, heart rate, mood, etc.

Addressing Sleep at Systemic Levels

The Workplace. Longer work hours don't mean productivity. Sleep-deprived employees show lower levels of creativity, motivation, efficiency and effectiveness. They're also less sociable, emotionally stable and ethical/honest. Sleep-deprived leaders are less engaging and inspiring, and create a negative rippling effect on their staff.

- Inadequate sleep can cost *companies* $2,000-$3,500 per employee or tens of millions in annual losses. By allowing flexible work hours to fit employees' natural body clocks, encouraging naps and proper rest, companies can deliver better results.
- Many *medical institutions* still require doctors and nurses to work long hours at a stretch, especially during their years in resident training. Fatigue has contributed to an alarming number of serious/fatal medical errors and accidents. These can be reduced simply by limiting each shift to 16 hours, with at least 8-hour rest opportunities in between. There's simply no reason to continue with the existing practices of sleep-deprivation which hurt both patients and medical staff. Sleep hygiene can also be used to help patients, e.g. change harsh white lights to warm yellow lights, provide earplugs/eye-masks etc.

School Schedules. To match parents' schedules, schools often start at 8am or earlier. Kids may have to wake up at 5:30am to catch the school bus which, given their circadian rhythms, is akin to an adult waking up at 3:30am. We're robbing our kids of the vital hours of REM-rich late-morning sleep that's critical for their learning, development and well-being. Chronic sleep deprivation is also harmful to adolescents who're the most susceptible to mental illnesses. Schools that start later have seen improvements in attendance, students' grades, IQ, emotional stability and even life expectancy (due to fewer accidents). It's time to review our existing school schedules.

KEY QUOTES

"Under-slept employees are not only less productive, less motivated, less creative, less happy, and lazier, but they are also more unethical."

"Ounces of sleep offer pounds of business in return."

"There's simply no evidence-based argument for persisting with the current sleep-anemic model of medical training, one that cripples the learning, health, and safety of young doctors and patients alike."

"It is clear that a tired, underslept brain is little more than a leaky memory sieve, in no state to receive, absorb, or efficiently retain an education."

"We as a society must work toward dismantling our negative and counterproductive attitude toward sleep."

Education and public/societal interventions. Sleep is no less critical than diet and exercise, and should be made a mandatory topic in education, to build awareness and encourage better sleep practices. At a public/societal level, we should also consider public campaigns to improve sleep awareness, enact laws against drowsy driving, introduce health insurance credits for people who with consistent/quality sleep hours, etc.

Other Details in the Book to Look out For

This book is packed with useful background, theories, examples and discussions on sleep and its implications, including:

- Evolutionary and scientific information about sleep;
- How NREM/REM sleep relate to various biological functions and lifestyle factors; and
- Detailed insights, tips and ideas on how we can improve our quality and quantity of sleep.

For more details, please visit www.sleepdiplomat.com.

About the Author

Dr. Matthew Walker is an English scientist and professor of neuroscience and psychology at the University of California. His research focuses on the impact of sleep on human health and disease. Previously, he was a professor of psychiatry at Harvard Medical School. He is also the founder and director of the Center for Human Sleep Science.

He has received numerous funding awards from the National Science Foundation and the National Institutes of Health, and is a Kavli Fellow of the National Academy of Sciences. He has published more than 100 scientific research studies and has been featured on numerous television and radio programs.

KEY QUOTES